THE IMPACT OF SERVICE QUALITY ON CUSTOMER SATISFACTION OF KURNIA MOTOR INSURANCE IN KLANG VALLEY

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This project paper entitled The impavt of service quality on customer satisfaction of Kurnia Motor Insurance in Klang Valley prepared by Khairunnisa Binti Shamshul and submitted to the Department of Commerce, Politeknik Sultan Salahuddin Abdul Aziz Shah to fulfil the requirements of the Diploma in Insurance

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ABSTRACT

Service quality plays important roles especially in the insurance industry. It helps to increase and fulfil customer satisfaction. It is not easy for insurance companies to exceed customer satisfaction because of competitiveness between them. Each insurance company has different marketing strategies to approach a customer. Hence, this study aims to determine the impact of service quality on customer satisfaction of Kurnia Motor Insurance in Klang Valley. The study used SERVQUAL instruments. The dimensions of service quality are competence, credibility, reliability, assurance, tangible and communication. Questionnaire is one of the data collection methods used in this study. The questionnaire was distributed to 384 respondents in Klang Valley. The respondents are customers who purchase motor insurance. Then, the data was collected and analysed using SPSS. The results show the highest variable is competence (0.843) while the lowest variable is tangible (0.772). Independent variables are found with 76.3% of the variation in the dependent variable. The results show all independent variables have positive correlation with dependent variables. Overall, researchers conclude that competence, credibility, reliability, are highly correlated with customer satisfaction. This study helps researchers to understand better how service quality influences customer satisfaction and differentiate customer perspective and insurance companies.

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LIST OF ABBREVIATIONS

AmG : AmGeneral Insurance Berhad

SPSS : Statistical Package for Social Science

CS   : Customer Satisfaction

C   : Competence

CR   : Credibility

R   : Reliability

A   : Assurance

T   : Tangible

CO   : Communication

CHAPTER 1
INTRODUCTION

1.1 INTRODUCTION

This chapter provides an overview of the study. It outlines the background of study, problem statement, research objectives, research questions, scope of study, significance of study, limitation of study and the summary of the chapter.

1.2 BACKGROUND OF STUDY

The insurance industry in Malaysia had largely followed the British System which is still influenced until today. In the past, the insurance industry has avoided it because insurance is a complex product which only a certain person can understand. The insurance industry was brought under the supervision of Bank Negara Malaysia. The close supervision of solvency and market conduct and the strengthened regulatory framework enforced in the 1990s were aimed to enhance the professional standards in the industry and consumer confidence. The insurance industry in Malaysia is small rather than international standards.

However, Malaysia's motor insurance market is expected to grow from MYR8.2 billion (US$2 billion) in 2018 to MYR9.7 billion (US$2.4 billion) in 2023, in terms of net earned premium (NEP), according to an industry report by Global Data. Motor insurance is financial protection against physical damage or bodily injury and liability that could also arise from incidents.

The common types of motor insurance are third party cover, third party, fire and theft cover and comprehensive cover. Buying third party car insurance is compulsory in Malaysia. If someone does not own third party car insurance, he will not be able to renew the vehicle's road tax from the Road Transport Department (JPJ) Malaysia. Driving without a valid road tax can cost a penalty of fines up to RM3,000 depending on the court's decision. The company that sell motor insurance are Etiqa General, Allianz Malaysia, AIG Malaysia, and MSIG. Customers can buy motor insurance to choose the type of motor insurance, buy insurance through direct or agent, and make a payment after studying all the coverage and premiums.

AmGeneral Insurance Berhad (AmGeneral) is founded on a combined business of two former entities, AmG Insurance Berhad and Kurnia Insurans (Malaysia) Berhad with the acquisition of KIMB by AmBank Group in September 2012. AmGeneral represents stability and strength with exceptional product offering, distribution and customer service. This company also is one of Malaysia's largest motor and leading general insurance companies in the market and has underwritten RM1.5 Billion Gross Written Premium for Financial Year 2018/2019. AmGeneral and Kurnia insure one in every six cars in Malaysia and is ranked Top 2 in Motor with a market share of 15%. For overall general insurance, AmGeneral Insurance is Top 5 in overall market share as of 1st half of 2018. Motor insurance sells through agents and dealers to connect with customers by delivering the best service, the best value and build lasting customer relationships.

1.3 PROBLEM STATEMENT

Kurnia Motor Insurance received a lot of complaints regarding their service quality. These complaints have been made from customers who bought motor insurance. There are 55% of complaints by customers who are rate under 3 stars below. In consequence, Kurnia Motor Insurance has been rated 3.3 stars out of 5 stars in IBanding website. The most complaints received are slow claim services, late information from customer service and bad attitude from the worker. Also, Kurnia

Motor Insurance was ranked at fourth place for the Motor Insurance Award in 2016. However, the ranking dropped to the eighth place in 2018. This shows that the company is struggling with maintaining customer satisfaction over the years. Henceforth, it leads to the declining amount of customers and loss of profits gained by the company.

Based on the problems above, service quality plays a significant role in order to fulfil customer satisfaction. Kurnia Motor Insurance must find a way to increase their service quality and gain customer trust to resolve all this problem. It can increase their profits in a long term period and satisfy their customers to build strong relationships

1.4 RESEARCH OBJECTIVES

1.4.1 To determine the impact of service quality on customer satisfaction of Kurnia Motor Insurance in Klang Valley

1.5 RESEARCH QUESTIONS

1.5.1 What is the impact of service quality on customer satisfaction of Kurnia Motor Insurance in Klang Valley?

1.6   SCOPE OF STUDY

The study focuses on customer satisfaction in Kurnia Motor Insurance at Klang Valley. It will find out the impact of provided service quality in its dimension competency, credibility, reliability, assurance, tangibles, communication on customer satisfaction in motor insurance. The relationship between Kurnia Motor Insurance with their customer will increase with knowing more about the customer perspective. This company also grew by understanding the needs of the customer and maintaining to be the largest companies in Malaysia.

1.7   SIGNIFICANCE OF STUDY

a) Insurance Company

This study helps to determine the impact of service quality on customer satisfaction of Kurnia Motor Insurance in Klang Valley. It helps in understanding the weakness of the companies on the part of service quality offer and the level of customer satisfaction. Kurnia Motor Insurance can develop strategies to overcome lower levels of satisfaction while improving service quality.

 b) Insurance Intermediaries

This finding will increase insurance intermediaries to improve their relationship with customers to satisfy what customers want and needs. It will help them to improve their service to gain customer trust in the future. This study can guide intermediaries to understand how customer relationship management systems work which include customer knowledge creation, customer loyalty and customer satisfaction.

c) Researchers

These results will inspire other researchers to further deepen their research knowledge while opening the opportunity to investigate more service quality and customer satisfaction in motor insurance. This study contains reliable scientific measure and perspective for describing and evaluating the level of customer satisfaction to help future researchers.

1.8   DEFINITION OF OPERATIONAL TERMS

1.8.1   MOTOR

Motor is a machine that supplies power for a vehicle or other device with moving parts. For example, a car.

1.8.2   INSURANCE

Insurance is financial protection against loss or harm. It is known as a form of risk management which primarily protects against a risk of contingent or uncertain loss. Insured is a person or entity who buys insurance. Meanwhile, an insurer is an insurance company which provides insurance to the insured. Insurance policy is a contract between insured and insurer. The insured receives a contract which contains all the details including conditions and circumstances which insurance company will compensate in a future. The amount of money charged by the insurer to insured for the coverage set in the insurance policy is called the premium. Two broad types of insurance are Life Insurance and General Insurance.

1.8.3   IMPACT

The word impact can give two definitions which are 'the action of one object coming forcibly into contact with each other' or 'a sign of influence or effect'. In this research, it is a marked effect and influence. It describes how different variables bring different outcomes in the end whether it affected or not.

1.9   CHAPTER SUMMARY

This study is about the impact of service quality on customer satisfaction of Kurnia Motor Insurance in Klang Valley. It helps to find out an idea to improve service quality to exceed customer satisfaction of motor insurance. In the next chapter, there are more elaboration about literature review which include dependent and independent variables.

CHAPTER 2
LITERATURE REVIEW

2.1   INTRODUCTION

This chapter consists of literature review to understand the relationship between variables with much more details. Also, generate new ideas to help with this study. Dependent and independent variables also were defined with a conceptual framework.

2.2   CUSTOMER SATISFACTION

According to Kotler and Keller (2016), satisfaction is feeling happy or disappointed in someone who arises because of comparing the perceived performance of the product (or result) to their expectations. This term can be used to measure the products and services provided by the company to meet or exceed customer expectations. In the business environment, customer satisfaction has been seen as a special form of customer attitude. Njei Zephan (2018) pointed out that customer satisfaction can be understood to be the difference between customers' expectation before consumption and realization after consumption of product or service.

Satisfied customers usually rebound and buy more. Besides buying more they also work as a network to reach other potential customers by sharing experiences (Hague & Hague 2016). Also, satisfied customers spread whether positive informal exchange and pulls in new customers to make long-term business benefit. Customer satisfaction can measure to give a sign on how business performance is ongoing with offer of products or services. This totally shows that customer satisfaction is a one of crucial component of a business strategy especially in the business industry.

2.2.1   CUSTOMER SATISFACTION IN MOTOR INSURANCE

Customer satisfaction and perception relates to consumption experience with product or service. Customer satisfaction is a belief that customers should be treated fairly by insurance companies. It is mainly a central marketing concept in motor insurance as well as an important goal of all insurance activities. In motor insurance, the price or the premium for the same vehicle varies among the different insurance companies. In the Malaysian Motor Insurance Industry, customers believe through the promotional activities have developed certain expectations and set of desired services of the motor insurance industry. Alharbi (2017) found that insurance policy premium, reward, and compensation are important factors for enhancing the level of customer satisfaction and argued that policy makers should use the information to improve the process and procedures before delivering the insurance services.

In the motor insurance market there has been a real revolution that has led to changes in the market, strategies of companies, offering products and services, in the manner of distribution of insurance products. Many ways to increase customer satisfaction in the motor insurance industry. There is an assumption among the market that digitalization will ultimately change the value creation in the insurance industry, since the latter facilitates new ways to interact with customers, new business processes, new products and new risks (Catlin et al., 2015). The overall customer satisfaction involved the relationship customer and contact with sales staff, the product service insurance, and a satisfaction with the insurance company providing the services. In other words, listening to customers internal or external is important to measure its success on customer satisfaction.

2.3 SERVICE QUALITY

The purpose of providing quality service is to exceed customer satisfaction. Measuring service quality is a better way to know that the services are good or bad and whether the customer is satisfied or not with the service received. Liu and Wang (2017) found that service quality affects customer loyalty positively and customer loyalty enhances performance of the insurance corporation. In recent past service quality have received intense attention from researchers in the field of service marketing and management (Jiang & Zhang, 2016; Kim et al., 2017; Li et al., 2015; Tamwatin, Trimetsoontorn, & Fongsuwan, 2016).

Parasuraman et al., (1991) proposed a service quality model which is known as SERVQUAL instrument. In the beginning this instrument was based on ten dimensions of service quality; reliability, tangible, responsiveness, competence, courtesy, credibility, security, communication, understanding and access. But then in the subsequent study, Parasuraman et al., (1988) realized that dimensions are not all useful in measuring the service quality, these ten dimensions turned into only a five-dimension scale representing Reliability, Tangible, Responsiveness, Assurance and Empathy.

2.3.1 COMPETENCY

Competence as a key relationship-marketing variable is supported by the rationale that people tend to value and nurture relationships with competent individuals. Such competence may be the result of technical, intellectual, social and commercial skills. Hence, many organizations use the competency models as a part of their employee development program to appraise behavioural performance indicators together with objectives (Özçelik and Ferman, in Zaim et al., 2013). This can improve a relationship between staff and customers especially in motor insurance.

2.3.2 CREDIBILITY

Credibility involves trust, worthiness, believability, honesty and it also involves having the customer's best interest at heart. Contributing to credibility is company reputation, personal characteristics of the contact personnel. The credibility is a belief about the product information possessed with a brand. It is totally dependent on the consumer's perceptions of whether the brand has the ability of acceptance in the consumer mind (Jeng, 2016). Brand credibility develops with the brand experience when consumers utilize the product. It refers to the product positioning in the minds of the consumers to build customers choice (Bougoure and Bennett, 2016)

2.3.3 RELIABILITY

Reliability is as good as the first-hand impression because every consumer wants to know if suppliers are reliable in service delivery. Dealing with problems experienced by consumers, organizations perfect from the main gone through, organizations ensured maintaining and time screw up without record are the perspective of trustworthiness to the extent organization quality, solidly affect the level of buyer dependability (Eneizan et al., 2018; Kumar & Kumar, 2017). Ishfaq et al. (2015) observed that among all dimensions of service quality, reliability is the main factor of service structure and recommended to closely verify factors influencing quality.

2.3.4 ASSURANCE

Assurance refers to employees with skilled services or trust customers have for suppliers. It can be defined as the employee's knowledge, courtesy and the ability of the firm and its employees to inspire trust and confidence in their customers. This dimension is important in insurance services because customers feel uncertain about their ability to evaluate outcomes. Moreover, it is likewise considered because the capability of workers with the help to motivate belief and certainty will firmly overcome the customer's loyalty as mentioned by (Alsakarneh et al., 2018; Abdelqader Alsakarneh et al., 2018; Kumar & Kumar, 2017)

2.3.5 TANGIBLE

Tangibility which is defined as the appearance of physical facilities, equipment, communication materials and technology. All these provide enough hints to customers about the quality of service of the one company. It also enhances the image of the firm whether in a positive way or negative way. Tangible represent the physical aspect of the services and all tools and equipment used to provide services (Hennayake, 2017).

2.3.6   COMMUNICATION

Zamani and Harper (2019) define communication as a practice where the business interacts with its regular customers in a personal and warm manner. Communication plays an important role in achieving the goals and the missions of different organizations, since effective communication between stakeholders during service encounters helps to solve various potential problems inherent in the exchange of information and knowledge (Moorman et al., 1993; Shannak et al., 2010; Masa'deh, 2012; Almajali et al., 2016). Organizations and institutional communication professions have been continually exploring effective measurement metrics for their communication initiatives, focusing on how communication practices can be effectively linked to improved financial performance at the organizational level (Broom & Dozier, 1983; Menget al., 2012; Masa'deh et al., 2015).

2.4   CONCEPTUAL FRAMEWORK

Figure 2.1 The impact of service quality on customer satisfaction of Kurnia Motor
Insurance in Klang Valley.
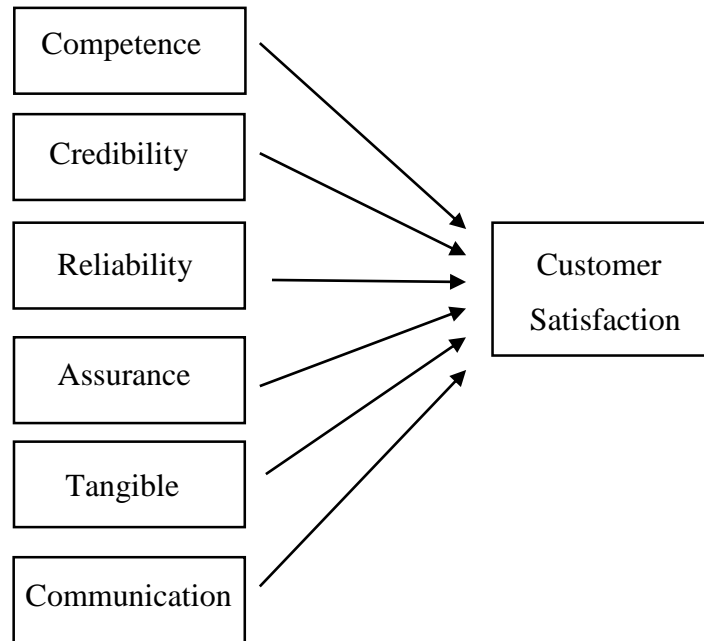
Adapted from the impact of service quality on customer satisfaction of Jordan
Insurance Companies, Kamal A.M Al-Qudah, 2013

2.5   SUMMARY

In conclusion, this chapter has explained about how service quality works and
how it can satisfy customers. It is essential for Kurnia Motor Insurance to use the
SERVQUAL model for measurement to exceed customer satisfaction in motor
insurance. The variables which is competence, credibility, reliability, assurance,
tangible and communication have been included.

CHAPTER 3
RESEARCH METHODOLOGY

3.1   INTRODUCTION

This chapter provides information about the research methodology in this study which includes research design, data collection method, research instrument, sampling techniques, data analysis method and the summary of this chapter.

3.2   RESEARCH DESIGN

In this research, a quantitative method was applied in this study. Quantitative research usually involves systematic and empirical investigation of phenomena through statistics and mathematics and the processing of numerical data. The process of estimating numbers in quantitative research provides the fundamental link between empirical observation and mathematical expression of quantitative relations. In quantitative research data is typically selected and analysed in a numerical form (Goertz & Mahoney, 2012). Descriptive research is a research design that we used in this study. This research design is used to describe characteristics of a population or phenomenon being studied. Also, it helps to determine the impact of service quality on customer satisfaction of Kurnia Motor Insurance in Klang Valley.

3.3   DATA COLLECTION METHOD

Data collection is one of the most important stages in conducting a research. It is the process of gathering and measuring any information on variables of interest and established systematic fashion that enables one to answer stated research questions, test hypotheses, and evaluate outcomes. The goal of data collection is to capture an evidence that it can help to translates a data analysis and build a convincing and credible answer

to questions. According to Mesly (2015), gathering data can be accomplished through a primary source (researcher is the first person to obtain the data) or a secondary source (the researcher obtains the data that has already been collected by other sources). Then, primary and secondary methods have been used in this study.

3.3.1 PRIMARY DATA

Primary data is collected through the first hand data gathered by the researcher. Primary data has not been published yet and it is more reliable, authentic and objective. Sources of primary data are surveys, observations, questionnaires, and interviews. Therefore, a questionnaire has been collected for this study. It is an effective way to measure the behaviour, attitudes, preferences, opinions and intentions of relatively large numbers of respondents more quickly than other methods. The questionnaire functions to collect data from respondents which are customers of motor insurance. Also, it distributed to 384 respondents in Klang Valley.

3.3.2 SECONDARY DATA

Secondary data is collected by a party not related to the research study but data used for other purposes and at different times in the past. Also, secondary data is essential because it is impossible to conduct a new survey that can adequately capture past change and/or developments. Sources of secondary data are government publications websites, books, journal articles, internal records. Then, websites and journal articles used in this study. Journal gives a broader information of researcher perspective and opinion which help to fulfil an objective of this study. Many websites provide new resources and knowledge in motor insurance which are helpful in this study.

3.4   RESEARCH INSTRUMENT

Questionnaire is one of the sources of data known as an observational technique which comprises items presented to a respondent in a form, in which the individual is expected to respond in writing. The respondent is given a list of written items to respond to by ticking the one which is considered appropriate for them. Questionnaire distribution to gather primary data from respondents to determine the impact of service quality on customer satisfaction of Kurnia Motor Insurance in Klang Valley. 384 sets of questionnaires distributed in the area of Klang Valley. The questionnaire was adapted from the journal The impact of service quality on customer satisfaction of Jordan Insurance Companies (Kamal A.M Al-Qudah,2013). This questionnaire is designed based on six variables which are competence, credibility, reliability, assurance, tangible and communication.

The questionnaire is divided into four sections which are Section A, B, C and D. Section A for the general questions which introduce basic information about motor insurance. The respondents only tick one answer for each question.

Section B for the dependent variable related customer satisfaction towards the motor insurance company. It consists of nine questions related to customer satisfaction by using Likert Scale. Likert scale items are used for surveys exploring attitudes by collecting responses to questions or related statements about motor insurance. The common practice is asking respondents to express their level of agreement by applying the five-point scale from 'strongly disagree' to 'strongly agree'. Respondents choose and circle one answer only for each statement.

Section C for the independent variable related to service quality dimensions in a motor insurance company. It is also used a Likert Scale like Section B. There are six independent variables which are competence, credibility, reliability, assurance, tangible and communication. Each independent variable contains five statements related to it. Respondents need to circle one answer for each statement based on six independent variables.

Lastly, Section D for the demographic which related to the age, gender, education, occupation and status of the respondents. There are five questions related to demographics and respondents only need to tick one answer for each question.

3.5   SAMPLING TECHNIQUES

Probability sampling technique is used in this study. Probability sampling is also known as random sampling; this is a sampling which permits every single item to have an equal chance of presence in the sample. It is the basic methodology which aims to generalize from the sample characteristics to the population or area covered. Probability sampling categorized by five types which are simple random sampling, systematic sampling, stratified sampling, cluster sampling and multi stage sampling.

Simple Random Sampling is selected from population and has equal chance of being selected as a sample. It used in this study to distribute questionnaire to the respondents or known as customer of motor insurance. It is also the simplest form of probability sampling. Moreover, the target population of this study were the customer of motor insurance in Klang Valley. The respondent fills up the questionnaire based on what was given.

3.6   DATA ANALYSIS METHOD

The data from the questionnaires from respondents analyse into the system, SPSS statistical software (Statistical Package for Social Science) version 20.0. The use of SPSS version 20.0 makes it easier to analyse data and detect data errors and update the data. Descriptive statistics such as percentage were used to analyse the demographic. Inferential analysis used in order to measure mean, median and standard deviation. Pearson Correlation Coefficients were used to see dependent and independent variables. Dependent variable is customer satisfaction while an independent variable is competence, credibility, reliability, assurance, tangible and communication.

3.7   PILOT TEST

A pilot study is a small scale preliminary study conducted in order to evaluate duration, cost, adverse events, and improve upon the study to perform a full-scale of research. It functions to approach a small number of respondents before conducting a main study. It helps to ensure research to run smoothly and improve an output of the study. In this study, 30 questionnaires were distributed. SPSS version 20.0 used to show a result of a pilot test after the questionnaires were collected.

Table 3.1 Result of Pilot Test

Variable	Total Number of questions	Cronbach's Alpha	Outcome
Competence	5	0.920	Very Good
Credibility	5	0.786	Good
Reliability	5	0.851	Very Good
Assurance	5	0.848	Very Good
Tangible	5	0.878	Very Good
Communication	5	0.895	Very Good

3.8   SUMMARY

As a conclusion, this chapter was collecting, analyzing and interpreting all the data. SPSS were used to analyze data. Probability sampling is used in this study for the questionnaire. Primary data and secondary data is needed to aim an objective on this study.

CHAPTER 4
DATA ANALYSIS AND FINDINGS

4.1   INTRODUCTION

In this chapter, researchers interpreted and presented the information that has been obtained from the survey through analyse the information which is relevant to the research questions and hypotheses. Moreover, in this chapter consist of two parts, which are descriptive analysis and scale measurement. Descriptive analysis can subset it into respondent demographic questions and centralize the tendencies measurement of construct. Respondent demographic questions are about their age, gender, education, occupation and marital status. Central tendencies measurement of constructs that use to indicate the mean, median and mode. The second part is scale measurement it used to test the reliability and interpreted the inferential analysis.

4.2   DESCRIPTIVE ANALYSIS

The purpose of descriptive analysis is a branch of analysis which is focused on summarization and description data that was collected from the survey (Vikas Yellapu. 2018). This part provides analysis on the demographic characteristics of the respondent that was obtained from the survey and used the analysis to make general observations on the data such as gender, age, education, occupation and marital status.

4.2.1 RESPONDENT DEMOGRAPHIC PROFILE

Researchers had distributed 384 copies of survey questionnaires and had received 100 percent responses from respondents. There is no data is outlier, thus the researchers fully utilized the 384 copies of survey questionnaires and analysed it. The demographic profile of the respondents has been identified in Section D of the questionnaire. A total of five questions were asked to collect data regarding the respondents' age, gender, education, occupation and marital status.

Table 4.1 Table of content based on demographic profile

Demographic	Frequency (N)	Percentage (%)
Gender		
• Male	163	42.4
• Female	221	57.6
Age		
• 18-25	218	56.8
• 26-33	139	36.2
• 34-42	22	5.7
• 43-49	5	1.3
Education		
• SPM	105	27.3
• Diploma	196	51.0
• Degree	7	20.1
• Master	6	1.6
Occupation		
• Employment	219	57.0
• Self-Employment	27	7.0
• Retired	11	2.9
• Student	126	32.8
• Others	1	0.3

Status		
• Single	271	70.6
• Married	113	29.4

Source: Developed for the research

Based on the result, 221 female respondents, 57.6% and 163 male respondents, 42.4% of the total respondents, being the respondent to this research.

Next the respondent is divided to 4 different age categories the highest group are 18 to 25 which is 218 respondents or 56.8%. The lowest are 43 to 49 which is 5 respondents or 1.3%. the second and third group 26 to 33 with 139 respondent or 36.2% and 34 to 42 around 22 respondent or 5.7%.

Furthermore, the education among respondents is categorised into four different categories. The highest group is Diploma with 196 respondents or 51.0%. The lowest percentage is Master with 1.6% and 6 respondents. The third and fourth group is SPM 105 respondent with 27.3% and Degree with 20.1% and 7 respondents.

Then, the occupation of respondent is divided into five groups. The first group with the highest respondent is employment with 219 respondents and 57.0%. The lowest group is other or unemployed with 1 respondent and 0.3%. The second group with the highest percentage is students 32.8% and 126 respondents. The remaining of respondent self-employment and retired with 27 respondents 7% and 11 respondents 2.9%.

Lastly are the marital status of respondents, single 271 respondents or 70.6% and the remaining are married 113 respondents or 29.4%.

4.2.2 CENTRAL TENDENCIES MEASUREMENT OF CONSTRUCTS

Table 4.2 Statistical Summary

Variables	Items	Mean	Standard Deviation
Customer Satisfaction	CS1	4.20	0.696
	CS2	4.15	0.689
	CS3	4.07	0.706
	CS4	4.14	0.701
	CS5	4.16	0.735
	CS6	4.15	0.728
	CS7	4.15	0.678
	CS8	4.14	0.707
	CS9	4.08	0.747
Competence	C1	4.16	0.689
	C2	4.20	0.690
	C3	4.18	0.699
	C4	4.17	0.702
	C5	4.17	0.757
Credibility	CR1	4.13	0.732
	CR2	4.18	0.704
	CR3	4.22	0.696
	CR4	4.15	0.743
	CR5	4.16	0.701
Reliability	R1	4.12	0.716
	R2	4.19	0.732
	R3	4.15	0.725
	R4	4.18	0.758
	R5	4.21	0.692
Assurance	A1	4.21	0.732
	A2	4.20	0.710

	A3	4.18	0.703
	A4	4.18	0.704
	A5	4.22	0.706
Tangible	T1	4.18	0.719
	T2	4.22	0.701
	T3	4.20	0.717
	T4	4.18	0.716
	T5	4.20	0.710
Communication	CO1	4.18	0.709
	CO2	4.18	0.741
	CO3	4.17	0.742
	CO4	4.20	0.723
	CO5	4.19	0.736

Source: Developed for the research

According to Vikas Yellapu (2018), central tendency is the value that describes the entire set of data as a single measurement. The three primary measures of central tendency are the mean, median, and mode.

CS1 has the highest mean value at 4.20 with standard deviation of 0.696 while CS3 shows the lowest mean value at 4.07 with standard deviation of 0.706.

C2 appeared to have the highest mean score 4.20 with standard deviation of 0.690 and the lowest mean score is C1 with standard deviation of 0.689.

CR3 has the highest mean which is 4.22 with standard deviation of 0.696. The lowest mean score is CR1 where the mean is 4.13 with standard deviation of 0.732.

R5 recorded the highest mean value at 4.21 with standard deviation of 0.692 while R1 has the lowest mean value at 4.12 with standard deviation of 0.716.

A5 showed the highest mean score at 4.22 with standard deviation of 0.706. The lowest mean scores are A3 and A4 which is 4.18 with standard deviation for A3 (0.703) and A4 (0.704).

T2 appears to have a highest mean value 4.22 with standard deviation of 0.701 while the lowest mean values are T1 and T4 which is 4.18 and standard deviation for T1 (0.719) and T4 (0.716).

CO4 recorded the highest mean score at 4.20 with standard deviation of 0.723 and CO3 showed the lowest mean score at 4.17 with standard deviation of 0.742.

4.3   SCALE MEASUREMENT

4.3.1   RELIABILITY TEST

Table 4.3 Reliability Result of Independent Variables and Dependent Variable

Content	Items	No of question	Alpha
CUSTOMER SATISFACTION	CS1 I have internal motivation to deal with the company	9	0.915
	CS2 I have full satisfaction on the way of delivering service		
	CS3 I have full satisfaction of the speed of response regarding introduced by customers		
	CS4 I have full satisfaction of the staff skills when providing service		
	CS5 I have full satisfaction of the staff treatment of me		
	CS6 I have full satisfaction of the speed opf services provided by the company		
	CS7 I have full satisfaction of the speed of services provided by the company		
	CS8 I have full satisfaction of the facilities available in the company		
	CS9 I convince my friends to deal with the company		

COMPETENCE	C1 The company's staff has high-efficiency in providing the service		
	C2 The company's staff providing services with highly skills.		
	C3 The company's staff is trying to carry out their role as best.	5	0.873
	C4 The company's staff has full knowledge enable them to carry out their roles.		
	C5 Employees of the company have sufficient information about the service provided.		
CREDIBILITY	CR1 I feel the credibility of the company in the implementation of its services		
	CR2 The company employees into confidence for customers.		
	CR3 The company is committed to its promises toward the customers.	5	0.881
	CR4 Offers by the company confirm to reality.		
	CR5 The customer pays real value for the services provided.		
	R1 The company's staff has the capacity to provide services easily.		
	R2 The company's staff providing outstanding services.		

RELIABILITY	R3 The company's staff is ready to provide assistance to me.	5	0.891
	R4 The company's staff seeks to help me insolving the problems that I face in getting service.		
	R5 The company's staff respond to the customer's needs, whatever the degree of concern.		
ASSURANCE	A1 I feel reassured in dealing with the company.	5	0.860
	A2 The company provides risk-free services		
	A3 The company's staff has high capacities to provide the services.		
	A4 The company's staff follows the special procedures since customer requestsservice until submitted.		
	A5 Customers' information treated fully confidentiality by the company.		
TANGIBLE	T1 Decent appearance of company's staff.	5	0.883
	T2 The company uses modern and appropriate equipment and technology.		
	T3 Waiting halls in the company is comfortable.		

	T4 The company provides clean sanitary facilities.		
	T5 Different company sites suitable for customers and can be reached easily.		
	CO1 The company has highly skilled staff in dialog and communication with customers.		
	CO2 The company's staff has the ability to explain the characteristics of the service provided.		
COMMUNICATION	CO3 The company's staff informs customers in full what must be done when receiving service.	5	0.866
	CO4 The company's staff ensures that customer has to understands what is required from him.		
	CO5 The company to contact you when they providing the new services.		

Source: Developed for the research

As stated in table 4.3 above, all Cronbach's Alphas were more than 0.6. According to the rules of Thumb for Cronbach's Alpha, the strength of association is considered poor when the Alpha Coefficient range is less than 0.6.

Strength of association is moderate when the Alpha Coefficient is range from 0.6 to 0.69 and the range from 0.7 to 0.79 is considered good strength of association. Furthermore, 0.8 to 0.89 will be in very good strength of association. Lastly, if the Alpha Coefficient range is more than or equal to 0.9, that represented excellent strength of association.

From table 4.3, the reliability statistics of customer satisfaction has the highest alpha coefficient which is 0.915, followed by reliability with the reliability statistics of 0.891. Next, the reliability of tangible which is 0.883. Then it follows that credibility with the reliability statistic is 0.881. Next is competence with the reliability statistic is 0.873 the it also follows by communication with the reliability statistic is 0.866 and the last one is assurance with the reliability statistic is 0.860. It shows the customer satisfaction has an excellent strength of association and the remainder of the variable is very good strength.

4.4 INFERENTIAL ANALYSIS

4.4.1 PEARSON CORRELATION COEFFICIENT

Table 4.4 Correlation

VARIABLE	C	CR	R	T	CO	A	CS
C	1						
CR	.870**	1					
R	.819**	.844**	1				
T	.785**	.817**	.833**	1			
CO	.819**	.830**	.819**	.840**	1		
A	.813**	.838**	.841**	.831**	.829**	1	
CS	.843**	.818**	.794**	.772**	.788**	.789**	1

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

Table 4.4 shows the correlations between independent variables which include competence, credibility, reliability, assurance, tangible and communication with dependent variable which is customer satisfaction of Kurnia Motor Insurance in Klang Valley. Independent variable has positive linear relationship to dependent variable at significant level 0.05. The Pearson correlation among independent variables is below 0.9 and between 0.772 and 0.843.

There is a significant relationship between competence and customer satisfaction of service quality from Motor Insurance Company in Klang Valley. Moreover, the value of the correlation coefficient, which is 0.843. That means the customer is satisfied with the service that has been provided from the Motor Insurance Company in Klang Valley.

There is a significant relationship between credibility and customer satisfaction of service quality from Motor Insurance Company in Klang Valley. Moreover, the value of the correlation coefficient, which is 0.818. That mean the customer is satisfied with the service that they have been provided from the Motor Insurance Company in Klang Valley.

There is a significant relationship between reliability and customer satisfaction of service quality from Motor Insurance Company in Klang Valley. Moreover, the value of the correlation coefficient, which is 0.794. That means the customer is satisfied with the service that have provide from the Motor Insurance Company in Klang Valley.

There is a significant relationship between tangible and customer satisfaction of service quality from Motor Insurance Company in Klang Valley. Moreover, the value of the correlation coefficient, which is 0.772. This indicates a slightly weak relationship between tangible and customer satisfaction of Kurnia Motor Insurance in Klang Valley.

There is a significant relationship between communication and customer satisfaction of service quality from Motor Insurance Company in Klang Valley. Moreover, the value of the correlation coefficient, which is 0.843. That means customer is satisfied with the service that they have provided from the Motor Insurance Company in Klang Valley.

There is a significant relationship between assurance and customer satisfaction of service quality from Motor Insurance Company in Klang Valley. Moreover, the value of the correlation coefficient, which is 0.789. That mean customer is satisfied with the service that they have provided from the Motor Insurance Company in Klang Valley.

In conclusion, we can conclude competence is the most factor to measure how the customer is satisfied with the service has provided from their company.

4.4.2   MULTIPLE REGRESSION ANALYSIS

Table 4.5 Model Summary

Model	R	R. Square	Adjusted R. Square	Std. Error of the Estimate	R. Square Change	F. Changes
1	0.874	0.763	0.760	0.26852	0.763	202.631

Model	df1	df2	Sig. F. Change
1	6	377	.000

Source: Developed for the research

a. Dependent Variable: MEANCS

b. Predictors: (Constant), MEANA, MEANC, MEANT, MEANCO, MEANR, MEANCR

Based on the table above, it shows that the value of correlation coefficient (R value) is 0.763. Independent variable recorded the 76.3% of the variation in dependent variable. However, it is still left 23.7% unexplained in this study.

Table 4.6 ANOVA

ANOVA						
Model		Sum of Square	df	Mean Square	F	Sig.
1	Regression	87.662	6	14.610	202.631	.000
	Residual	27.183	377	0.072		
	Total	114.845	383			

Source: Developed for the research

a. Dependent Variable: MEANCS

b. Predictors: (Constant), MEANA, MEANC, MEANT, MEANCO, MEANR, MEANCR

Table 4.6 show that p-value (sig 0.000) is less than alpha value 0.05. The alternative hypothesis as the six independent variables are significantly explains the variance in consumers' level is supported by the data and will be accepted.

Table 4.7 Coefficients

Coefficients						
Model		Unstandardized coefficients		Standardized coefficients	T	Sig.
		B	Std. Error	Beta		
1	(constant)	0.467	0.108		4.338	0.000
	MEANC	0.384	0.053	0.405	7.230	0.000
	MEANCR	0.130	0.057	0.140	2.278	0.023
	MEANR	0.104	0.051	0.115	2.029	0.043
	MEANT	0.075	0.051	0.080	1.464	0.144
	MEANCO	0.089	0.052	0.096	1.727	0.085
	MEANA	0.096	0.054	0.100	1.777	0.076

Source: Developed for the research

a. Dependent Variable: MEANCS

From Table 4.7, coefficients show the higher beta is competence be the most important factor to measure the service quality from the Motor Insurance Company can satisfied their customers. While credibility be a second most factor with beta 0.140 and the third is reliability with beta 0.115. Beside that we can see in the table tangible, communication and assurance is not the factor can be impact to the customer satisfaction with the beta 0.080, 0.096 and 0.100. Base on this table we can conclude the factor can impact the customer satisfaction is competence, credibility and reliability.

The multiple regression equation can be formed as below:

$C = A + C1X1 + CR2X2 + R3X3 + T4X4 + CM5X5 + AS6X6$

Whereas:

C = the impact of service quality on customer satisfaction

A = as constant, Value of Y when X become zero

X1 = Dimension of customer satisfaction

C1 = Competence

CR2 = Credibility

R3 = Reliability

T4 = Tangible

CM5 = Communication

AS6 = Assurance

Therefore, the multiple regression can be formed as:

$C = 0.467 + 0.384 + 0.130 + 0.104 + 0.075 + 0.089 + 0.096$

4.4.3   TEST OF SIGNIFICANT

Competence

H0: There is no positive relationship between competence and customer satisfaction of Kurnia Motor Insurance in Klang Valley.

H1: There is a positive relationship between competence and customer satisfaction of Kurnia Motor Insurance in Klang Valley.

Reject H0 if $p < 0.05$

Based on Table 4.13, the significant value of C is 0.000, which is below the p-value of 0.05. This can be concluded that there is a positive relationship between competence and customer satisfaction, so it rejects H0.

Credibility

H0: There is no positive relationship between credibility and customer satisfaction of Kurnia Motor Insurance in Klang Valley.

H2: There is positive relationship between credibility and customer satisfaction of Kurnia Motor Insurance in Klang Valley

Reject H0 if $p < 0.05$

Based on Table 4.13, the significant value of CR is 0.023, which is below the p-value of 0.05. This can be concluded that there is a positive relationship between credibility and customer satisfaction, so it rejects H0.

Reliability

H0: There is no positive relationship between reliability and customer satisfaction of Kurnia Motor Insurance in Klang Valley.

H3: There is positive relationship between reliability and customer satisfaction of Kurnia Motor Insurance in Klang Valley

Reject H0 if p<0.05

Based on Table 4.13, the significant value of R is 0.043, which is below the p-value of 0.05. This can be concluded that there is a positive relationship between reliability and customer satisfaction, so it rejects H0.

Assurance

H0: There is no positive relationship between assurance and customer satisfaction of Kurnia Motor Insurance in Klang Valley.

H4: There is positive relationship between assurance and customer satisfaction of Kurnia Motor Insurance in Klang Valley

Reject H0 if p<0.05

Based on Table 4.13, the significant value of A is 0.076, which is above the p-value of 0.05. This can be concluded that there is no significant relationship between assurance and customer satisfaction, so it rejects H4.

<u>Tangible</u>

H0: There is no positive relationship between tangible and customer satisfaction of Kurnia Motor Insurance in Klang Valley.

H5: There is positive relationship between tangible and customer satisfaction of Kurnia Motor Insurance in Klang Valley

Reject H0 if $p<0.05$

Based on Table 4.13, the significant value of T is 0.144, which is above the p-value of 0.05. This can be concluded that there is no significant relationship between tangible and customer satisfaction, so it rejects H5.

<u>Communication</u>

H0: There is no positive relationship between communication and customer satisfaction of Kurnia Motor Insurance in Klang Valley.

H6: There is positive relationship between communication and customer satisfaction of Kurnia Motor Insurance in Klang Valley

Reject H0 if $p<0.05$

Based on Table 4.13, the significant value of CO is 0.085, which is below the p-value of 0.05. This can be concluded that there is no significant relationship between credibility and customer satisfaction, so it rejects H6.

4.5   CONCLUSION

In this chapter, the descriptive analysis, scale measurement and inferential analysis which were used to analyse the outcome of the data collected and generated results for further discussion. The subsequent chapter contains discussion on major findings as well as a conclusion to this research.

CHAPTER 5
CONCLUSIONS AND RECOMMENDATIONS

5.1   INTRODUCTION

In chapter 5, it provides the overall conclusion and discussion of the research. It summarized the discussion of major findings from chapter 4, highlighted the implications of the study, stated the limitations of the study, provided recommendations for the future researcher, and provided a conclusion of the entire research.

5.2   SUMMARY OF STATISTICAL ANALYSES

5.2.1   SUMMARY OF DESCRIPTIVE ANALYSIS

5.2.1.1 DEMOGRAPHIC PROFILE OF THE RESPONDENTS

Based on the descriptive analysis in chapter 4, out of the 384 respondents there are 221 (57.6%)female, and the remaining 163 (42.4%) are male. From the data collected most of the respondents is age 18 to 25 which is 218 respondents or (56.8%). The lowest are 43 to 49 which is 5 respondents or (1.3%). the second and third group 26 to 33 with 139 respondent or (36.2%) and 34 to 42 around 22 respondent or (5.7%). Researchers can see most of the respondents have diploma as their education level with 196 respondents (51.0%). Then researchers can see the second class is SPM 105 respondents (27.3%) and Degree with 20.1% and 7 respondents and it only has 6 respondents with Master level (1.6%). Then, researchers can see most of the respondents have a job or they are employment with 219 respondents (57.0%). The lowest group is other or unemployed with 1 respondent and 0.3%. researchers also have

respondents from a group of students which is 126 respondents (32.8%). The remainder of respondents are self-employment and retired with 27 respondents 7% and 11 respondents 2.9%. Lastly, the most of respondents are single 271 respondents (70.6%) and the remaining are married 113 respondents (29.4%).

5.2.1.2 SUMMARY OF CENTRAL TENDENCIES MEASUREMENT OF CONSTRUCTS

CS1 has the highest mean value at 4.20 with standard deviation of 0.696 while CS3 shows the lowest mean value at 4.07 with standard deviation of 0.706. C2 appeared to have the highest mean score 4.20 with standard deviation of 0.690 and the lowest mean score is C1 with standard deviation of 0.689.CR3 has the highest mean which is 4.22 with standard deviation of 0.696. The lowest mean score is CR1 where the mean is 4.13 with standard deviation of 0.732. R5 recorded the highest mean value at 4.21 with standard deviation of 0.692 while R1 has the lowest mean value at 4.12 with standard deviation of 0.716. A5 showed the highest mean score at 4.22 with standard deviation of 0.706. The lowest mean scores are A3 and A4 which is 4.18 with standard deviation for A3 (0.703) and A4 (0.704). T2 appeared to have a highest mean value 4.22 with standard deviation of 0.701 while the lowest mean value is T1 and T4 which is 4.18 and standard deviation for T1 (0.719) and T4 (0.716).CO4 recorded the highest mean score at 4.20 with standard deviation of 0.723 and CO3 show the lowest mean score at 4.17 with standard deviation of 0.742.

5.2.3 SUMMARY OF INFERENTIAL ANALYSIS

5.2.3.1 PEARSON CORRELATIONS TEST

All the 6 independent variables are free from multi collinearity problems all correlation values are less than 0.9. Pearson correlation test also used to measure the relationship between each individual independent variables and dependent variable. All of the independent variables establish a significant relationship with customer

satisfaction based on coefficient tables that have three of variables that have significant value below 0.05 which is competence, credibility and reliability. However, that have a variable with significant value more than 0.05 which is tangible, communication and assurance. With this significant value the researcher concluded competence, credibility and reliability it's are the factors can be impact to service quality on customer satisfaction of Kurnia Insurance in Klang Valley.

5.2.3.2 MULTIPLE LINEAR REGRESSIONS (MLR)

According to the output of MLR, the $R^2 = 0.763$ implies that 76.3% of the variation in the service quality on customer satisfaction of Kurnia Insurance in Klang Valley in this research can be explained by using six variables C (Competence), CR(Credibility) And R (Reliability) have a positive relationship with customer satisfaction while CO (Communication), T (Tangible) and AS (Assurance) has no relationship toward customer satisfaction. Meanwhile, regression tables conclude competence has the strongest influence toward customer satisfaction. The estimated regression equation is as follow:

Customer satisfaction = $0.467 + 0.384C_1 + 0.130CR_2 + 0.104R_3 + 0.075T_4 + 0.089CM_5 + 0.096AS_6$

5.3   DISCUSSIONS OF MAJOR FINDINGS

While the previous section of this chapter focuses more onto the summary description of the entire descriptive and inferential analyses, this section is more onto the discussion on major findings in order to validate the research objectives and hypotheses.

Table 5.1 Summary of Statistical Analysis

Hypothesis	Significant	Conclusion
$H1_1$: There is a relationship between competence and customer satisfaction.	0.000	Supported
H_2: There is a relationship between credibility and customer satisfaction.	0.023	Supported
H_3: There is a relationship between reliability and customer satisfaction.	0.043	Supported
H_4: There is a relationship between tangible and customer satisfaction.	0.144	Not Supported
H_5: There is a relationship between communication and customer satisfaction.	0.085	Not Supported
H_6: There is a relationship between assurance and customer satisfaction.	0.076	Not Supported

5.3.1 THERE IS A RELATIONSHIP BETWEEN COMPETENCE AND CUSTOMER SATISFACTION.

H_1 indicates that competence has significant influences on customer satisfaction also based on previous research that has mentioned competency is a commonly used term for people's asserting of their working potential in real activities (Königová, Urbancová, & Fejfar, 2012). Thus, competence is positively related to customer satisfaction. In addition, the significant and beta value at the highest in coefficients table.

5.3.2 THERE IS A RELATIONSHIP BETWEEN CREDIBILITY AND CUSTOMER SATISFACTION.

H_2 indicates that credibility and customer satisfaction is the factor to influence customer satisfaction. This factor also has a support from previous research they mention credibility is a belief about the product information possessed with a brand. It is totally dependent on the consumer's perceptions of whether the brand has the ability of acceptance in the consumer mind (Jeng, 2016). Thus, credibility and customer satisfaction has a strong relationship.

5.3.3 THERE IS A RELATIONSHIP BETWEEN RELIABILITY AND CUSTOMER SATISFACTION.

H_3 indicates that reliability has a significant influence on customer satisfaction. The result shows the significant value 0.043 which expresses the factor is supported. This factor also supports in (Kandampully, 2007) the researcher mentioned reliability can be defined as the dependability, consistency and accuracy with which the service is performed by the provider. This factor strongly supported and positively related to customer satisfaction.

5.3.4 THERE IS A RELATIONSHIP BETWEEN TANGIBLE AND CUSTOMER SATISFACTION.

H_4 indicates that tangible has no significant influences toward customer satisfaction of Kurnia Motor Insurance in Klang Valley. Result show sig. value is 0.144 which express H_4 is not supported. There was no impact between tangible and customer satisfaction which is inconsistent with the previous study by (Seo,2012) which states that tangibility related to material characteristics like gadgets, equipment and how staff carry themselves is not related to measuring the service quality and satisfaction to customers. Thus, tangible is negatively related to customer satisfaction.

5.3.5 THERE IS A RELATIONSHIP BETWEEN COMMUNICATION AND CUSTOMER SATISFACTION.

H_5 indicates that communication has no significant influences toward customer satisfaction of Kurnia Motor Insurance in Klang Valley. Result show sig. value is 0.085 which expresses that H_5 is not supported. There was no impact between communication and customer satisfaction which is inconsistent with the previous study (Ball et al., 2004), (Ndubisi and Chan,2005) and (Mattila et al., 2002, Obeidat et al., 2012) which state that choosing the right communication medium, the quality of interaction and the trust formed between service providers and clients at the service encounter are critical criteria used in evaluating further commitment to the relationship. Thus, communication is negatively related to customer satisfaction.

5.3.6 THERE IS A RELATIONSHIP BETWEEN ASSURANCE AND CUSTOMER SATISFACTION.

H_6 indicates that assurance has no significant influences towards customer satisfaction of Kurnia Motor Insurance in Klang Valley. Result show sig. value 0.076 which expressed that H_6 is not supported. There was no impact between assurance and customer satisfaction which is inconsistent with the previous study (Kandampully, 2007) assurance is the extent to which the service personnel stimulate faith and credence among the customers of the firm. Thus, assurance is negatively related to customer satisfaction.

5.4   IMPLICATIONS OF THIS STUDY

Based on this study, researchers have gathered information and found several implications that might be beneficial to insurance companies to improve their service quality and exceed customer expectations. It is important for motor insurance companies to make sure that they give the best services and make improvements to gain more profit. Nowadays, everyone needs motor insurance in order to protect their finances from unexpected risk.

According to the research done, competence has the highest significant impact unlike other independent variables in influencing the impact of service quality on customer satisfaction of Kurnia Motor Insurance in Klang Valley. For competence, motor insurance companies need to recruit employees of high level efficiency in order to improve service quality. Although, employees play an important role in order to build a relationship with customers. Besides, competence helps to keep and stabilize a good reputation of an insurance company. For example, an employee has the good communication skills to attract a customer.

As stated in this study, credibility also has a significant impact on the impact of customer satisfaction of Kurnia Motor Insurance in Klang Valley. Insurance companies should be able to make a promise that is convincing and believable to the customer. In this way, customer trust will get easier and customers will be happy with all services.

Reliability has a significant impact in this study. The quality of performing consistently well is one customer looking for. Customers will trust insurance companies which have greater achievement or experiences in terms of dealing and handling a company well. Also, an achievement shows the company itself that they can satisfy the customer based on what the customer wants and needs.

5.5   LIMITATION OF STUDY

The main limitations of this study are constraints of resources, access to information and time. We intend to answer these questions considering only one company in the insurance industry. It is not necessarily representative but it provides answers and ideas about customer satisfaction in motor insurance. We also don't have access to specific statistic on how many clients in Klang Valley that purchase motor insurance. The financial and material resources needed for a large sample size is inadequate. It is obvious we would not have access to every insured of Kurnia Motor Insurance as respondent to fill a questionnaire. In addition, this study is also constrained by time. It is very limited time to access all information within academic time range and pandemic season.

5.6   RECOMMENDATION FOR FUTURE RESEARCH

Through the result of the study, there are few recommendations for other researchers in the future. It is recommended for other researchers to do research in all motor insurance companies in Malaysia rather than focusing only in one company. It is advisable because it gives more exploration in details how motor insurance companies deal with all competitiveness between them. Different strategy and service quality use in order to gain and satisfy customer satisfaction. Secondly, future researchers can analyse other dimensions of SERVQUAL other than this study. This will give more satisfy result to knowing more about customer perspective based what they expect from insurance companies Lastly, other researchers need time to search a larger sample which not only focuses on one state. Future researchers can gain more information to access specific statistics who purchase motor insurance in Malaysia. It can open an eyes to see whether motor insurance is important based on public eyes.

5.7   CONCLUSION

As a conclusion, this study about the impact of service quality on customer satisfaction of Kurnia Motor Insurance in Klang Valley. Motor insurance is needed in every individual due to offer protection from financial losses especially an unexpected situation. It is crucial for Kurnia motor insurance to maintain high service quality standards to satisfy customer needs in motor insurance. SERVQUAL model and SPSS used to achieve an objective in this study.

In this study, six variables are chosen to run the study. Six variables which are competence, credibility, reliability, tangible, assurance and communication is included in this study. The study had met its objective when competence, credibility and reliability were significant relationships with customer satisfaction. While the other three variables did not have relationship with customer satisfaction or known as dependent variables. These are evidence from the findings indicating a positive result significantly affect customer satisfaction. Meanwhile, a negative result did not affect the customer satisfaction.

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APPENDICES

APPENDIX A   QUESTIONNAIRE

APPENDIX B   GANTT CHART

APPENDIX A: QUESTIONNAIRE

**THE IMPACT OF SERVICE QUALITY ON CUSTOMER SATISFACTION
OF KURNIA MOTOR INSURANCE IN KLANG VALLEY**

KHAIRUNNISA BINTI SHAMSHUL	**08DIN18F1012**
NURHASMIZA BINTI CHE MAT	**08DIN18F1016**
MUHAMMAD SYAQIMI BIN ABDUL RAHMAN	**08DIN18F1003**
MUHAMMAD ZUL IMAN BIN ABDULLAH	**08DIN18F1008**
UMAIRAH BINTI OTHMAN	**08DIN18F1023**

DIPLOMA IN INSURANCE

DEPARTMENT OF COMMERCE

THE IMPACT OF SERVICE QUALITY ON CUSTOMER SATISFACTION OF KURNIA MOTOR INSURANCE IN KLANG VALLEY

Dear Respondent,

With reference to the above, we are pleased to inform you that we conducting a survey that determine the impact of service quality on customer satisfaction in Kurnia motor insurance. This is part of diploma research work. Currently, we are in the process of collecting data as a requirement for this diploma. This questionnaire has been designed to collect certain information from the customers.

We are seeking your kind assistance to support by participating in the survey which is part of this research project. The study is under the supervision of Dr. Aziam and Puan Intan from Politeknik Sultan Salahuddin Abdul Aziz Shah. The result from this project will be used only for academic work only.

The questionnaire should not take more than 10 minutes to be completed. Kindly spare some of your valuable time to complete the questionnaire as your participation to this study. In order to ensure all information will remain confidential, please do not include your name. Participation is strictly voluntary and you may refuse to participate at any time.

Thank you in advance for your willingness to participate in this study and for further information, please contact us at the number listed below.

Sincerely yours,

KHAIRUNNISA BINTI SHAMSHUL

Diploma student,

Persiaran Politeknik Sultan Salahuddin Abdul Aziz Shah,

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Selangor

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THE IMPACT OF SERVICE QUALITY ON CUSTOMER SATISFACTION OF KURNIA MOTOR INSURANCE IN KLANG VALLEY

Dear customers,

We requesting your assistance in a study on service quality of the motor insurance company. The purpose of this study is determine the impact of service quality on customer satisfaction of Kurnia Motor Insurance in Klang Valley. This study for academic purpose only. Your cooperation is greatly appreciated and your responses are strictly confidential.

Kurnia Insurance

It has become one of the most successful general insurance companies in Malaysia. Before then, Kurnia Insurance Company known as Industrial and Commercial Insurance. It stands as a pillar of industry which representing stability and strength. It is also boasts one of the most expensive agency networks in the industry, represented in practically every town, with the liberalization of the Malaysia insurance market. It has undertaken several protective measures in expectation of rising unbridled competition. Also, offer general insurance products which include property, casualty, motor, medical, accident and pet insurance. The vision of this company are to be leading financial services group in the ASEAN region.

Kurnia Motor Insurance

Kurnia Motor Insurance offer three types of policies such as third party, comprehensive, and third party, fire and theft. It provides information easier and quicker about motor insurance. There are also have some benefit that customer can get from Kurnia Motor Insurance. For example, Kurnia Auto Assist, Kurnia Express Claim and Kurnia Approved Repairer. Customer might be able to access a wider choice of motor insurance products as liberalization encourages innovation and competition among insurance company.

SECTION A: GENERAL QUESTIONS

Instruction: Please provide the following information about your motor insurance.

Indicate your answer by marking in the appropriate box.

1.Do you own any motor vehicle?

Yes	
No	

2. Have you heard about Motor Insurance?

Yes	
No	

3. Which type of Motor Insurance policy did you have?

Third Party	
Third Party, Fire & Theft	
Comprehensive	

4. Are you satisfied with services provided by your insurance company?

Yes	
No	

SECTION B: DEPENDENT VARIABLE

Instruction: The following statements below are related to the customer satisfaction in motor insurance company. For each statement, please circle your answer with the appropriate number.

Construct and item		Strongly disagree	Disagree	Neither	Agree	Strongly agree
Customer satisfaction						
CS1	I have internal motivation to deal with the company	1	2	3	4	5
CS2	I have full satisfaction on the way of delivering service	1	2	3	4	5
CS3	I have full satisfaction of the speed of response regarding complaints introduced by customers	1	2	3	4	5
CS4	I have full satisfaction of the staff skills when providing service	1	2	3	4	5
CS5	I have full satisfaction of the staff treatment of me	1	2	3	4	5
CS6	I have full satisfaction of the speed of services provided by the company	1	2	3	4	5
CS7	I have full satisfaction of the means of communication used to communicate with the company	1	2	3	4	5
CS8	I have full satisfaction of the facilities available in the company	1	2	3	4	5
CS9	I convince my friends to deal with the company	1	2	3	4	5

SECTION C: INDEPENDENT VARIABLES

Instruction: The following statements below are related to service quality dimensions in motor insurance company. For each statement, please circle your answer with the appropriate number.

	Construct and item	Strongly disagree	Disagree	Neither	Agree	Strongly agree
	Competence					
C1	The company's staff has high-efficiency in providing the services	1	2	3	4	5
C2	The company's staff providing services with highly skills	1	2	3	4	5
C3	The company's staff is trying to carry out their role as best	1	2	3	4	5
C4	The company's staff has full knowledge enable them to carry out their roles	1	2	3	4	5
C5	Employees of the company have sufficient information about the service provided	1	2	3	4	5
	Credibility					
CR 1	I feel the credibility of the company in the implementation of its services	1	2	3	4	5
CR 2	The company employees into confidence for customers	1	2	3	4	5
CR 3	The company is committed to its promises toward the customers.	1	2	3	4	5
CR 4	Offers by the company conform to reality	1	2	3	4	5
CR 5	The customer pays real value for the services provided	1	2	3	4	5

	Reliability					
R1	The company's staff has the capacity to provide services easily	1	2	3	4	5
R2	The company's staff providing outstanding services	1	2	3	4	5
R3	The company's staff is ready to provide assistance to me.	1	2	3	4	5
R4	The company's staff seeks to help me in solving the problems that I face in getting service	1	2	3	4	5
	Assurance					
A1	I feel reassured in dealing with the company	1	2	3	4	5
A2	The company provides risk-free services	1	2	3	4	5
A3	The company's staff has high capacities to provide the services	1	2	3	4	5
A4	The company's staff follows the special procedures since customer requests service until submitted	1	2	3	4	5
A5	Customers' information treated fully confidentiality by the company	1	2	3	4	5

	Tangible					
T1	Decent appearance of company's staff	1	2	3	4	5
T2	The company uses modern and appropriate equipment and technology	1	2	3	4	5
T3	Waiting halls in the company is comfortable	1	2	3	4	5
T4	The company provides clean sanitary facilities	1	2	3	4	5
T5	Different company sites suitable for customers and can be reached easily	1	2	3	4	5
	Communication					
C1	The company has highly skilled staff in dialog and communication with customers	1	2	3	4	5
C2	The company's staff has the ability to explain the characteristics of the service provided	1	2	3	4	5
C3	The company's staff informs customers in full what must be done when receiving service	1	2	3	4	5
C4	The company's staff ensures that customer has to understand what is required from him	1	2	3	4	5
C5	The company to contact me when they providing the new services	1	2	3	4	5

SECTION D: DEMOGRAPHIC

Instruction: Please tell us about yourself. Indicate your answer by marking the appropriate box.

1. Age:

18-25	
26-33	
34-41	
42-49	

2. Gender:

Male	
Female	

3. Education:

SPM	
Diploma	
Degree	
Master	

4. Occupation:

Employment	
Self-Employment	
Retired	
Student	

5. Status:

Single	
Married	

THANK YOU FOR YOUR COOPERATION

APPENDIX B: GANTT CHART

	August				September				October				November			
Identify a title	■	■														
Introduction		■	■	■	■											
Literature review			■	■	■	■	■	■	■	■	■					
Research methodology					■	■	■	■	■	■						
Prepare research proposal		■	■	■	■	■	■									
Questionnaire development							■	■	■							
Sampling technique									■	■	■					
Data collection										■	■					
Data analysis									■	■	■	■	■			
Editing process										■	■	■	■			
Presentation													■	■		
Submit Final Draft														■		