

EXECUTIVE SUMMARY

In today's world of intense competition, the key to sustainable competitive advantage lie in delivering high quality service that will in turn result in satisfied customers (Shemwell, Yavas, & Bilgin, 1998).

The purpose of the study was to investigate the degree to which the customer behavioral intentions could be explained by the service quality dimensions of CEM. The theoretical framework of Zeithaml, Berry and Parasuraman (1996) was used to measure behavioral intentions; the five dimensions of SERVQUAL and 'performance only measure' of SERVPERF were used to measure the perceived service quality. A total of 450 customers of Companhia de Electricidade de Macau, S.A. (CEM) in the Territory of Macau participated in the study in which 50 of them were non-residential customers. Principal components factor analysis was conducted for perceived service quality and customer behavioral intentions with three factors generated respectively: Perceived service quality: 1. Reliability/Responsiveness; 2. Empathy; 3. Assurance, Customer Behavioral Intentions: 1. Switching & External/Internal; 2. Loyalty; 3. Pay More. Moreover, multiple regression analysis was also used to evaluate the relationship between the perceived service quality and customer behavioral intentions.

The results indicated that CEM customers are quite satisfied with CEM services with main concern on the company's ability to perform promised services dependably and accurately. Fortunately they perceived that CEM was a reliable company providing uninterrupted supply of electricity, owned a team of friendly and courteous employees and provided convenient method of payment. However there were two areas required for improvements from their perspective, namely "not reasonable price" and "not enough contributes back to community". The results of evaluating the relationship between the perceived service quality and behavioral intentions were

interesting that the service quality did not significantly correlated with customer behavioral intentions for the case of CEM. Though they were satisfied with what CEM was doing in many aspects, they still tend to switch to other competitors if any. This may due to the monopolized nature of the business in Macau that the customers prefer to have choices.

From the results, it revealed that price is the most dissatisfied item for the customers with regard to the service quality of CEM. Public concern is another customer concerned factor. Thus implications are drawn for CEM to put more effort on these aspects for increasing customer satisfaction. As a result, it is recommended to have further study carried out for analysis of how sensitive of price to customer behavioral intentions for CEM management decision in tariff reduction.