Declaration

I declare that all the work described in this dissertation was undertaken by myself (unless otherwise acknowledged in the text) and that none of the work has been previously submitted for any academic degree. All sources of quoted information have been acknowledged through references.

Emhemad Alarabi Ibrahim
12th November 2009
PERMISSION TO USE

In presenting this thesis in fulfillment of the requirements for the postgraduate degree from the Universiti Utara Malaysia, I agree that the Universiti Library may take it freely available for inspection. I further agree that the permission for copying of this thesis in any manner, in whole or in part, for scholarly purpose may be granted by my supervisor or, in his absence, by the Dean of the Postgraduate studies of College of Business. It is understood that any copy or publication or use of this thesis or parts thereof for financial gain shall not be allowed without my written permission. It is also understood that due recognition shall be given to me and to the Universiti Utara Malaysia for any scholarly use which may be made of any material from my thesis. Request for permission to copy or make other use of material in this thesis in whole or in part should be addressed to:

Dean of the Postgraduate Studies of College of Business
Universiti Utara Malaysia
06010 UUM Sintok
Kedah Darul Aman
Malaysia
Abstract

While a vast number of studies have pointed out the keys of relationship marketing practices in consumer markets, little attention has been paid to the value the organization can get from such strategies in the B2B market. The literature provides relatively little support for the effectiveness of relationship marketing programs. The purpose of this research is to produce some evidence of the association between customer relationship marketing strategies which are attraction activities and Loyalty programs, Customer satisfaction and the market performance. The proposed hypotheses are tested in the case of telecommunication service firms, where long-term relationship is needed. This research involved collecting data from Libyan Telecommunication Users to understand the relationship exists between attraction and loyalty programs with market performance of the companies and the market performance is measured by market position, customer perception about the firm and customer’s loyalty.

*Keywords*: Relationship Marketing, Service Marketing, Market Performance, Libyan Telecommunication.
Acknowledgement

Praise and gratitude be given to ALLAH the Almighty for putting forward me such a great strength, patience, courage, and ability to complete this project.

I would like to express my sincere gratitude to my supervisors, Associate. Prof. Dr Ismail Lebal Otman, for his intelligent guidance and helpful advice during the whole process. He has really been for me a center of motivation and guidance. I am truly grateful to his continual support and cooperation, as being prepared to assist me all along the completion of the project. Completion the project was impossible without his continuous assistance.

I would like to express deeply and sincerely my gratitude to my father's soul and I wish him all the peace and may Allah gives him his mercy, in addition, I would like to present my sincere and profound gratitude my mother for the love, affection, trust, and support she has extended me every step of my life. Even although, I know that, there are no enough words to say thanks for both of her. I would like to present my sincere and profound gratitude to my wife. Also, I would like to present my sincere and profound gratitude to my brother-in-law Mahmoud Hussin. He always beside me and he usually gave to me advice in my life maybe I can't explain my feeling but he likes my father, my brother, my best friend maybe more than that. I hope good luck for him and for my sister, and their children for love and support I would like to express my thanks to the rest of my brothers and my sisters, for their love, support and encouragements throughout all my life.

Finally, My demonstrative appreciations to all my friends and, everyone who has helped either directly or indirectly to the completion of this project.
TABLE OF CONTENTS

Declaration ........................................................................................................... ii
Permission to Use ............................................................................................ iii
Abstract ............................................................................................................. iv
Acknowledgement ........................................................................................... v
Table of Contents ........................................................................................... vi
List of Tables ................................................................................................... ix
List of Figures .................................................................................................. x

CHAPTER 1 INTRODUCTION

1.1 Background ............................................................................................... 1
1.2 Problem Statement .................................................................................... 5
1.3 Question of the Study ............................................................................... 6
1.4 Objectives of the Study ............................................................................ 7
1.5 Significant of the study ............................................................................ 7
1.6 Scope and Limitation of the Study ............................................................. 8

CHAPTER 2 LITERATURE REVIEW

2.1 Introduction ............................................................................................... 10
2.2 Relationship Marketing Theory ............................................................... 10
2.2.1 Relation Marketing Formation ........................................................... 11
2.2.2 Relationship marketing definition ...................................................... 12
2.3 Marketing ................................................................................................. 12
2.4 Customer Relationship Management ...................................................... 14
2.5 Customer Attraction program (Industrial Service Quality) ..................... 21
2.5.1 Service Quality .................................................................................. 21
2.5.2 Service quality in B2B ....................................................................... 23
2.5.3 New model for measuring quality in a B2B setting.............................. 24
2.6 Customer Loyalty Programs ..................................................................... 27
2.7 Performance Measurement ...................................................................... 29
2.8 Market Performance ............................................................................... 31
2.8.1 Market Position .................................................................................. 33
2.8.2 Customer’s Perception ....................................................................... 33
2.8.3 Image ................................................................................................. 34
CHAPTER 3 METHODOLOGY

3.1 Introduction ................................................................. 43
3.2 Research Design ............................................................. 43
3.3 Research Framework ...................................................... 44
3.4 Hypothesis ................................................................. 46
3.5 Variable Measurement ................................................... 46
3.6 Population and Sample .................................................. 47
3.7 Data Collection Technique ............................................. 47
3.8 Validity and Reliability of Study Instrument Testing .......... 49
3.8.1 Validity of Study Instrument Testing .............................. 49
3.8.2 Reliability of Study Instrument Testing ........................... 49
3.9 Data Analysis Technique .............................................. 51

CHAPTER 4 FINDINGS

4.1 Introduction ................................................................. 53
4.2 Profile of Respondents .................................................... 53
4.2.1 The gender of respondents ............................................ 54
4.2.2 The age of respondents ................................................ 55
4.2.3 The level of the study of the respondents ......................... 56
4.2.4 The kind of provider which respondents use .................... 58
4.3 Reliability of Study Instrument Testing ............................. 59
4.3.1 Reliability of Potential Quality ....................................... 61
4.3.2 Reliability of Hard Process Quality ............................... 62
4.3.3 Reliability of Soft Process Quality ................................. 63
4.3.4 Reliability of Output Quality ........................................ 64
4.3.5 Reliability of Market Position ....................................... 65
4.4 Result of Hypothesis testing ........................................... 66
4.4.1 Relationship among Variables ....................................... 66
4.5 The Description of Research Variables ............................. 68
4.5.1 The Evaluation of Potential Quality Variable .................... 68
4.5.2 The Evaluation of Hard Process Quality Variable ............... 71
4.5.3 The Evaluation of Soft Process Quality Variable ............... 73
4.5.4 The Evaluation of Output Quality Variable ...................... 75
4.5.5 The Evaluation of Market Position Variable ........................................ 77
4.6 Results of Regression Test ...................................................................... 78
4.6.1 Regression between Potential Quality and Market Position ............... 78
4.6.2 Regression between Hard Process Quality and market position .......... 79
4.6.3 Regression between Soft Process Quality and market position .......... 80
4.6.4 Regression between Output Quality and market position .................. 80
4.6.5 Regression between potential quality, hard process quality, soft process quality and output quality with market position .................... 81
4.7 Summary ............................................................................................... 82

CHAPTER 5 DISCUSSION AND CONCLUSION

5.1 Introduction ............................................................................................ 84
5.2 Discussion ............................................................................................... 84
5.3 Theoretical Implications .......................................................................... 85
5.4 Conclusion ............................................................................................... 87

REFERENCES .............................................................................................. 88

QUESTIONNAIRE ....................................................................................... 91

APPENDIX STATISTICAL DATA ANALYSIS ............................................. 96
LIST OF TABLES

Table 4.1 The Gender of Respondents .......................................................... 54
Table 4.2 The Age of Respondents ............................................................... 55
Table 4.3 The Level of Study of Respondents .............................................. 57
Table 4.4 The provider which respondents use ........................................... 58
Table 4.5 Reliability of potential quality variables ....................................... 61
Table 4.6 Item-Total Statistics ................................................................. 61
Table 4.7 Reliability of hard process quality variable .................................... 62
Table 4.8 Item-Total Statistics ................................................................. 62
Table 4.9 Reliability of Soft Process Quality variable .................................... 63
Table 4.10 Item-Total Statistics ............................................................... 63
Table 4.11 Reliability of Output Quality variable .......................................... 64
Table 4.12 Item-Total Statistics ............................................................... 64
Table 4.13 Reliability of Market Position variables ....................................... 65
Table 4.14 Item-Total Statistics ............................................................... 65
Table 4.15 Correlation between Variables ................................................. 67
Table 4.16 The evaluation of Potential Quality Variable ............................... 68
Table 4.17 The evaluation of Hard Process Quality Variable ......................... 71
Table 4.18 The Evaluation of Soft Process Quality Variable ......................... 73
Table 4.19 The Evaluation of Output Quality Variable ................................. 75
Table 4.20 The Evaluation of Market Position Variable ............................... 77
Table 4.21 Regression between potential qualities with market position ....... 78
Table 4.22 Regression between hard process quality with market position .. 79
Table 4.23 Regression between soft process quality with market position .... 80
Table 4.24 Regression between output quality with market position ......... 81
Table 4.25 Multiple Regressions between all IV’s and market position.... 82
LIST OF FIGURES

Figure 2.1 Growth of mobile phone subscribers Source ....................... 36
Figure 2.2 Mobile Telephone Subscribers per 100 inhabitants ............ 37
Figure 2.3 Global Telecommunications Revenue 2004 ......................... 38
Figure 2.4 Global Telecommunications Revenue 2009 ......................... 39
Figure 3.1 Research Framework ....................................................... 45
Figure 4.1 Diagram of Respondents Gender ....................................... 54
Figure 4.2 Diagram of Respondents age ............................................. 56
Figure 4.3 Diagram of Level of Study ................................................. 57
Figure 4.4 Diagram of Respondents telecommunication provider ......... 59
CHAPTER 1
INTRODUCTION

1.1 Background

Marketing is one of the core disciplines of successful management today. It impacts on society everyday in a myriad of ways – creating new products and services; helping organizations understand what people want and need; helping people find products and services that meet their needs; communicating information that makes people’s lives more efficient; creating exchanges that generate employment and wealth. But marketing also raises ethical issues about excess consumption, unhealthy obsessions and addictions, the impact we have on the environment and the communities in which we live.

Based on the nature of marketing, it involves voluntary “exchange relationship where both sides must be willing parties. The parties must be able to communicate which could be through different instrument. Therefore, in today’s highly competitive environment, business needs to better understand their customers, which who are the most profitable, and how to best retain those customers. This understanding meets through different channels which one is CRM.

“CRM is short for Customer Relationship Management, the industry term for the set of methodologies and tools that help an enterprise manage customer relationships in an organized way” (Strategic Management website- 2005). CRM helps companies make
The contents of the thesis is for internal user only
REFERENCES


Durvasula, S., Lyonski, S., Mehta, C., 1999, “Testing the SERVQUAL scale in the
business-to-business sector: The case of ocean freight shipping service” THE JOURNAL OF SERVICES MARKETING, VOL. 13 NO. 2 1999, pp. 132-150 © MCB UNIVERSITY PRESS,


Gounaris, S., 2005,(2005) “Measuring service quality in b2b services: an evaluation of the SERVQUAL scale vis-a` -vis the INDSERV scale”, Journal of Services Marketing 19/6 , 421–435


