

**THE RELATIONSHIP BETWEEN TRUST AND  
COMMITMENT ON CUSTOMER RETENTION**

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**UNIVERSITI UTARA MALAYSIA**

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# **THE RELATIONSHIP BETWEEN TRUST AND COMMITMENT ON CUSTOMER RETENTION**

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**By**

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# ABSTRACT

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This study examines the factors that contribute to customer retention at private hospital in Kedah. A field survey of private hospital customers that visited private hospital in Kedah was conducted to determine the influence of the dimension of trust and commitment on customer retention at private hospital in Kedah. A total of 60 questionnaires were distributed to private hospital in Kedah through convenience sampling, 57 questionnaires were obtained and usable. Pearson correlation test showed that 'Commitment' is the most significance towards customer retention and followed by 'Trust'. Conversely, regression analysis indicated that 'Trust' and 'Commitment' were factors that positive influence towards customer retention at private hospital in Kedah. These findings show that private hospital in Kedah should give attention on the factors of 'Trust' and 'Commitment' in order to retain the customer. Recommendation for future research was also put forward.

# ABSTRAK

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Tujuan utama kajian ini adalah untuk mengetahui faktor-faktor yang menyumbang kepada kesetiaan pelanggan terhadap hospital swasta yang terdapat di Kedah. Lapangan tinjauan terhadap pelanggan-pelanggan hospital swasta di sekitar Kedah telah dijalankan untuk mengenalpasti faktor-faktor yang mempengaruhi seperti 'Kepercayaan' dan 'Penglibatan' terhadap kesetiaan pelanggan. Sejumlah 60 borang selidik telah diedarkan kepada hospital swasta di sekitar Kedah, hanya 57 borang kaji selidik dan boleh digunapakai. Kajian ini mendapati 'Penglibatan' adalah yang paling signifikan terhadap kesetiaan pelanggan dan diikuti dengan 'Kepercayaan'. Dalam pada itu, analisis juga menunjukkan yang 'kepercayaan' dan 'Penglibatan' yang mempengaruhi kesetiaan pelanggan terhadap hospital swasta di Kedah. Oleh itu, pihak hospital swasta yang terdapat di Kedah perlu menitikberatkan faktor 'Kepercayaan' dan 'Penglibatan' dalam usaha mengekalkan kesetiaan pelanggan. Cadangan kajian akan datang turut disediakan.

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# 1

## INTRODUCTION

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### 1.0 INTRODUCTION

A customer is considered as the most important aspect of the business. In fact they are the core of the business. In recent years, customers are becoming more educated and very sensitive with the quality of the services they purchase. Furthermore, strong competitive nature of today's business environment where the service market is getting more competitive and resulted in a greater need for organization to build closer relationships with customers. Therefore, as a company that provided service as main output has to build a long term relationship with customers because customers stick with the firm they enjoy a good relationship.

Additionally, service industries in Malaysia growing very fast and it give advantages to the customers choosing the best services with the high quality. As a result, customers are more demanding on the quality of service they purchase and increasing competition in service industry. This phenomenon gives pressure to the service provider in offering a high quality services in order to maintain their customers.

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