THE INFLUENCE OF RELATIONSHIP MARKETING ON CUSTOMER LOYALTY: A STUDY OF PRUDENTIAL BSN TAKAFUL’S CUSTOMERS IN KEDAH

By

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In Partial Fulfillment of the Requirement for the Master of Science Management
DECLARATION

I declare that thesis work described in this research paper is my own work (unless otherwise acknowledged in the text) and that there is no previous work which has been previously submitted for any academic Master’s program. All sources quoted have been acknowledged by reference.

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ABSTRACT

The Malaysian Takaful industry is considered a growing industry with significant progress and continues to play an important socioeconomic role within the economy. In the new global economy, service providers are competing to develop and retain customers through increased loyalty. Thus, this research was carried out to determine the relationship marketing elements which is trust, commitment, conflict handling and communication that influence customer loyalty toward Prudential BSN Takaful in Kedah. A total of 100 customers of Prudential BSN Takaful in Kedah was selected as respondents of the survey questionnaire which was randomly distributed. The obtained data were analyzed using Pearson’s Correlation and Multiple Regressions. The finding shows that trust, commitment, conflict handling and communication are positively correlated with customer loyalty. Element trust was the strongest predictor of customer loyalty. Based from this research, if Prudential wants to maintain and develop loyal customers they should be trustworthy and committed to their service ethic and should resolve the conflict that a raised in a conduct that will disqualify significant losses and inconvenience to the customer.

Keywords: Takaful, relationship marketing, customer loyalty.
ABSTRAK


Kata Kunci: Takaful, hubungan pemasaran, kesetiaan pelanggan.
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<td>µ</td>
<td>Error term</td>
</tr>
<tr>
<td>B</td>
<td>Unstandardized beta coefficient</td>
</tr>
<tr>
<td>BHD</td>
<td>Berhad</td>
</tr>
<tr>
<td>BSN</td>
<td>Bank Simpanan Nasional</td>
</tr>
<tr>
<td>DV</td>
<td>Dependent Variable</td>
</tr>
<tr>
<td>IMP</td>
<td>Industrial Marketing and Purchasing Group</td>
</tr>
<tr>
<td>IV</td>
<td>Independent Variable</td>
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<tr>
<td>KMC</td>
<td>Kedah Medical Centre</td>
</tr>
<tr>
<td>PLC</td>
<td>Private Limited Company</td>
</tr>
<tr>
<td>PMR</td>
<td>Penilaian Menengah Rendah</td>
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<tr>
<td>SDN</td>
<td>Sendirian</td>
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<td>SPM</td>
<td>Sijil Penilaian Menengah</td>
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<tr>
<td>SPSS</td>
<td>Statistical Package for Social Science</td>
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<td>SRP</td>
<td>Sijil Rendah Pelajaran</td>
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<td>STPM</td>
<td>Sijil Tinggi Pelajaran Malaysia</td>
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<td>UPSR</td>
<td>Ujian Penilaian Sekolah Rendah</td>
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<td>α</td>
<td>Intercepts (constant value)</td>
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CHAPTER ONE
INTRODUCTION

1.1 Background of Study

The Takaful industry in Malaysia today is poised for greater dynamism and growth, within the expanded domestic and international frontier of the Islamic financial system. From the Takaful industry development point of view, the role of agents as intermediaries between customer and company is getting more and more important today while they maintaining a strong relationship with the customer.

Strong competition featured as today's business environment has led to the construction of a stronger relationship between firm-client (Ndubisi, 2007). Ndubisi (2007) noted that more firms take advantage of the strong relationship on firm-customer to get valuable information about how best to serve and take care of them from changing to competing brands. Therefore, customer relationships have built mutual rewards that benefit both the company and the customer (Rapp & Collins, 1990). Customer loyalty is considered to be an important link to the success of the organization, profit and business performance (Oliver, 1997; Reichheld, 1993; Sheth & Parvatiyar, 1995). Moreover, loyal customers not only increase the business value, but also allows the business to reduce the cost of attracting new customers (Barroso & Martin, 1999). In addition, loyalty rather than satisfaction is the number one strategic goals in a competitive business environment today (Oliver, 1999).

With regards to Prudential BSN Takaful, they not only involves with intangible services but complicated products and contracts that are mostly in a long-term
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REFERENCES


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