

**A STUDY ON CUSTOMER RETENTION TOWARDS  
FROZEN KUIH PAU, THE PRODUCT OF AINAZ FOOD  
PROCESSING ENTERPRISE**

**ROZAINI BINTI ABD. HALIM**

**2008249818**

**BACHELOR OF BUSINESS ADMINISTRATION  
(HONS) MARKETING**

**FACULTY OF BUSINESS MANAGEMENT  
UITM PERMATANG PAUH**

**15 JANUARY 2013**

## **ACKNOWLEDGEMENT**

IN THE NAME OF ALLAH S.W.T. THE MOST  
GRACIOUS AND THE MOST MERCIFUL

Alhamdulillah , with the grace and bless from Allah S.W.T. I manage to complete this research. Many people have contributed their time, ideas and suggestions for me in preparing and completing the report. To all individuals involved, I'm indebted and thankful.

First of all, I would like to express my gratitude and appreciation to my advisor, Encik Mohd. Azli bin Umar for his kind understanding, advice and time of providing me with helpful comments and suggestions.

I would like to thank the Manager of Ainaz Food Processing giving me full cooperation and the opportunity to do my research at her company. Next, my appreciation goes to my friends, Miss Amirah Salwani binti Shabani for her valuable guidance in interpreting the data using SPSS software, Mrs Siti Nurul Sakinah binti Daud for sharing her experience and knowledge by assisting me through completing this research.

Next, my appreciation goes to my boss, Tuan Haji Saringat bin Haji Hassan, the General Manager of PERDA for his kind understanding of the time constraint I was facing between career commitment and due date for submitting this research, and also through the period of my out-campus study at UiTM for four and a half years.

Last but not least, I would like to thank my family who give me strength and support to make sure my research is completed on time. And for those who are not mentioned but have assisted me in this research, thanks to all of you.

## TABLE OF CONTENT

<b><u>ITEM</u></b>		<b><u>PAGE</u></b>
<b>Letter Of Submission</b>		
<b>Declaration Of Original Work</b>		
<b>Acknowledgement</b>		
<b>Table Of Content</b>		
<b>List of Tables</b>		
<b>List of Figures</b>		
<b>Abstract</b>		
<b>CHAPTER 1</b>	<b>INTRODUCTION</b>	
	1.1 Introduction	2
	1.2 Background of Study	4
	1.3 Background of Company	6
	1.4 Problem Statement	8
	1.5 Research Questions	10
	1.6 Research Objectives	11
	1.7 Significance of Study	12
	1.8 Definition of Key Terms	13
	1.9 Limitation of Study	14
	1.10 Chapter Summary	15
<b>CHAPTER 2</b>	<b>LITERATURE REVIEW</b>	
	2.0 Introduction	17
	2.1 Customer Retention	18
	2.2 Price	21

## **ABSTRACT**

This research focused on Customer Retention towards Frozen Kuih Pau, the product of Ainaz Food Processing Enterprise. In this study, it examined the factors that have significant relationship with customer retentions towards Frozen Kuih Pau, the product of Ainaz Food Processing Enterprise. The three factors identified were price, trust and customer value.

There were 170 questionnaires being distributed to current customers in northern region of this country but only 157 were useful. The sampling technique used was non probability sampling. Respondents were asked to rate their evaluation of price, trust & customer value on customer retention towards Frozen Kuih Pau, the product of Ainaz Food Processing Enterprise.

Various data-analysis tools have been used to analyze the data such as frequency analysis, reliability analysis, Pearson's Correlation and Multiple Regression analysis. As a whole, the factors identified were found to be significantly related to customer retention towards Kuih Pau, the product of Ainaz Food Processing Enterprise.

Hopefully this study will provide Ainaz Food Processing Enterprise an idea in creating its marketing strategy in order to retain customers towards its Frozen Kuih Pau product.

# CHAPTER 1

## INTRODUCTION

### 1.0 INTRODUCTION

Like any other country in the world, SMEs in Malaysia can be found in various industries. SMEs are keys to the catalytic growth of Gross Domestic Product (GDP). Various efforts and encouragement provided to enable SMEs to increase the revenue of state, reduce poverty and increase income per capita, population, creating an even distribution of income, reducing inflation, creating a balanced balance of payments and act as a complement to the larger industry.

As any other type of companies, SMEs are facing difficulties to retain existing users and to attract new users. From the research and marketing, managers need to review the strategies to suit the particular area in order to retain customers and attract new customers to come into the company. The increase and retention of loyal customers becomes a key factor for long-term success of the companies. The main emphasis in marketing has shifted from winning new customers to the retention of existing ones.

Buck Rodgers, who headed worldwide marketing for IBM as the company's sales grew from \$10 million to \$50 billion, speaks forcefully about the importance of customer retention in his book, *The IBM Way*: "It seems to me," observes Rodgers, "that most companies are a lot better at prospecting for new customers than maintaining their customer list. As far as I'm concerned, customer maintenance is imperative to doing business. . . . Someone once said I behaved as if every IBM customer were on the verge of