

**CREATING AND IMPROVING CUSTOMERS' LOYALTY
THROUGH CUSTOMERS' SATISFACTION ON SERVICES
PERFORMANCE**

**NUR ISMA NAZARIAH MOHD MOKHTAR
99151014**

**BACHELOR OF BUSINESS ADMINISTRATION (HONS)
MARKETING
FACULTY OF BUSINESS MANAGEMENT MARA UNIVERSITY OF
TECHNOLOGY**

OCTOBER 2001

LETTER OF TRANSMITAL

Nur Isma Nazariah bt Mohd Mokhtar
Faculty of Business and Management
MARA University of Technology
Alor Gajah Campus
78000 Melaka

06th October, 2001

The Project Advisor
Associate Professor Madya Dr. Hj. Arshad Hashim
Faculty of Business and Management
MARA University of Technology
Alor Gajah Campus
78000 Melaka

Dear Sir,

RE: SUBMISSION OF PROJECT PAPER

With reference to the above matter, I hereby enclose the final Project Paper entitled "Creating and Improving Customer Loyalty through Customer Satisfaction on Services Performance" for your kind perusal. I hope that the project paper will fulfil requirement of the course.

Thank You.

Yours sincerely,

NUR ISMA NAZARIAH BT. MOHD MOKHTAR
99151014

ABSTRACT

The purpose of this study was to determine of customer loyalty and satisfaction toward the quality of services provided by J.Y.Zulkefly and Association (JYZ). Data was collected through a set of questionnaires on 41 customers who patronized JYZ.

The questionnaire consists of six sections to determine customer's satisfaction on every aspect such as services quality, staff performance, factor contribute to customer loyalty/retention and performance of JYZ.

The objective of the study are to determine the staff performance of the company to retain the present customer, to determine the services quality of JYZ and to identify the factor that contribute to customer loyal in JYZ.

Based on the finding, staff performances have relationship with service quality provided, they also contribute to customer retention in JYZ and the performance of JYZ to satisfy present customer. Based on the finding, staff performance is important for JYZ to increase customer loyalty.

From the study, a few recommendations were made. These recommendations may assist JYZ in increasing its customer loyalty as well as maintain a good relationship with the customer and take care of the staff.

ACKNOWLEDGEMENTS

All praise is due to Allah S.W.T, the sustainer of the world and may there be His blessing to all messengers and on His Last messengers, the Prophet Muhammad SAW and family, companions follower and all the believers till the end of time.

This thesis would not have been possible without participant and support of many people. I would like to take this opportunity to express my gratitude to individuals, in particular whose help and guidance has made this thesis a success. First of all, I would like to convey my utmost gratitude to Prof. Madya Dr Hj. Arshad bin Hashim for his guidance, tolerance and encouragement I preparing and complete this thesis.

I would like to thank to Hj Jamaluddin bin Yahya, the manager of JYZ and his partner, Zulkefly bin Nordin who have given me their advise and opinion on my research. My thanks also go to Pn. Norzian bt Mahmud, Pn. Norhazwati bin Kharuddin, Pn. Norhashimah bt Hashim and other staffs for their opinions and intuition. My appreciate goes to all staff of JYZ & Association for their support and guidance and have made my attachment with them memorable.

Last but not least, I would like to say a big thanks you my beloved family and friends. I surely owe my heartiest gratitude for their concern and moral support.

TABLE OF CONTENTS

LETTER OF TRANSMITTAL	i
ABSTRACT	ii
ACKNOWLEDGEMENTS	iii
TABLE OF CONTENTS	iv
LIST OF TABLES	vii
LIST OF FIGURES	viii

CHAPTER

1.0 INTRODUCTION	
1.1 Background of Study	1
1.1.2 Background of The Problem	2
1.2 Problem Statements	4
1.3 Research Questions	6
1.4 Objectives of the Study	6
1.5 Limitations	7
1.6 Scope of Study	8
1.7 Significance of Study	8
1.8 Definition of Terms	9
2.0 LITERATURE REVIEW	10
3.0 THEORETICAL FRAMEWORK	
3.1 Introduction	17
3.2 Satisfaction, Loyalty and Performance	17
3.3 Develop A Loyalty Model	19
3.4 Customer Loyalty Model Toward Quality and Revenue	21
3.5 Summary and Hypotheses Formulation	23
3.6 Assumption of the Study	24
3.7 Method of Analysis	25