UNIVERSITI TEKNOLOGI MARA

THE MODERATING EFFECT OF BRAND TRUST ON THE RELATIONSHIP BETWEEN CUSTOMER BRAND ENGAGEMENT AND BRAND LOYALTY FOR LOCAL CAR BRANDS IN MALAYSIA

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DBA

July 2021

AUTHOR'S DECLARATION

I declare that the work in this dissertation was carried out in accordance with the regulations of Universiti Teknologi MARA. It is original and is the results of my own work, unless otherwise indicated or acknowledged as referenced work. This thesis has not been submitted to any other academic institution or non-academic institution for any degree or qualification.

I, hereby, acknowledge that I have been supplied with the Academic Rules and Regulations for Post Graduate, Universiti Teknologi MARA, regulating the conduct of my study and research.

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Faculty	:	Arshad Ayub Graduate Business School
Dissertation Title	:	The Moderating Effect of Brand Trust on the Relationship Between Customer Brand Engagement and Brand Loyalty for Local Car Brands in Malaysia
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Date	:	July 2021

ABSTRACT

Brand loyalty has become a primary goal for a company in today's business environment due to intense market competition. Globalisation and competitive market have directed the business to cope with several challenges and keeping customers happy and maintaining a long-term relationship with the customers have been two valuable business strategies. The advancement of Web 2.0 has given the customers the power to choose due to more choices to consider. Easy access to the information of any brands is not limited to product, also on the prices and services offered. Therefore, companies need to engage with customers, as this may result in brand loyalty. Thus far, it remains as challenging issues in this modern business era due to intense competition despite managers' effort emphasising customer loyalty. Brand loyalty is a customer's inclination to buy a specific brand over and over again. It has become an indicator of companies' marketing achievement in many industries for many years and a focal issue in academic marketing research. Hence, it is believed that brand loyalty is a solution to a substantial and long-term competitive advantage for the business and has proven to be significant in assisting the company's profitability in the long run. However, it is becoming increasingly difficult to ignore that the companies are having difficulties retaining their customer because attracting new customers may increase the marketing cost compared to retaining the existing ones. Although previous researchers have examined the relationship between customer engagement and brand loyalty, the area of customer brand engagement is still scarce and lacks the empirically-based studies appraising its essence. Also, brand trust is recommended to be re-tested to confirm the robustness of the significant moderation effects. This study survey is conducted using online. 279 usable cases for analyses and were collected from two local car brands in Malaysia; Proton and Perodua. The data were then analysed using SPSS and Smart PLS. Also, this study adopted two types of higher-order models; repeated indicator approach and the two-stage approach. The findings of this study have indicated that customer brand engagement positively and significantly influences brand loyalty. Meanwhile, brand trust negatively influences the relationship of customer brand engagement and brand loyalty. Therefore, it has made a significant contribution by examining the relationship between brand loyalty and customer brand engagement and tested the moderating effect of brand trust. Furthermore, the findings could assist the managers to formulate a thoughtful analysis of their current strategies and determine how effective they are in building brand loyalty, improving customer brand engagement as well as building trust relationship. For instance, the companies should work to understand which types of engagement have the most significant impact in growing customer value of engagers, as well as customer value of those engaged by other customers. This further implies that the companies should prioritise relevant engagement for their businesses. As a way of learning from the experiments, a prioritisation and categorisation will be possible to improve strategic decisions on how to ensure brand loyalty as well as the best engagement method to gain customer trust.

ACKNOWLEDGEMENT

Firstly, I wish to thank Allah for allowing me to embark on my DBA and for completing this long and challenging journey successfully. Alhamdulillah, 5 years of an incredible journey. The ups and downs, the challenges, the hard work, the sleepless nights, and not to forget the endless stress. Despite all the hardships, I've made it to the end.

My gratitude and thanks to my supervisor's Dr Mazzini Muda, for her excellent guidance throughout the whole research process. Her invaluable insight, ideas, comments and advice have been crucial when the challenge was undertaken. Without her reassurance, time and patience it is impossible to complete this thesis.

To my second supervisor, AP Dr Nor Hashima Hashim, thank you for the guidance, constructive comments and ideas that make my research journey much smoother. The encouragement and positivity throughout the years are priceless.

Next, I am forever in debt to Professor Dr. Rosmimah Mohd Roslin, all lecturer from AAGBS, Dr Nizam the super-efficient DBA Coordinator, admin office staff and not forgotten to all in UiTM including the cleaners. Thank you so much for all the assistance throughout the years.

Also, my appreciation goes to all who never failed to support and inspire me during the journey. The support and inspiration have brought me to the finishing line. Indeed, the lights at the end of the tunnel view is amazing. To be honest, neither once I imagined myself writing hundreds of pages nor published papers. This is beyond my imagination. Again, thank you Allah for this wonderful experience.

To my family, especially Mama, Salmah Mohamad. Thank you for all your sacrifices and never ending dua' for me. Thank you for supporting me. Thank you for not giving up on me. And thank you for bring me to this world. I have nothing to offer, but I will always try to be a good daughter so that you can tell the world that you are proud of me.

To my colleagues at work, thank you very much for your understanding throughout the years. To my immediate superior, En Zakaria Yusop, thank you for your kind consideration for always allowing me taking time off during work to see my supervisor at the faculty.

To the one who is always with me, in difficult and happy times, whenever I lost, when I want to leave everything behind, every time I feel that I have nothing, listen to my every whine, complaint and anger, I can only say thank you for everything. I am truly sorry for how I behave, but deep inside me, I am thankful for your existence.

Finally, I would like to dedicate this thesis to the loving memory of my very dear late father, Zaidun b Othman. This piece of victory is dedicated to you, Ayah. Alhamdulillah.

TABLE OF CONTENTS

Page