

**THE RELATIONSHIP BETWEEN  
SERVICE QUALITY AND CUSTOMER LOYALTY  
AT PLEXUS MANUFACTURING SDN.BHD PENANG**

TIDAK BOLEH DIFOTOSTAT

**Prepared For:  
ENCIK IBHRAHIIM BIN ZAKARIA**

**Prepared By:  
NURFAZNIM BINTI SHUIB  
BACHELOR IN OFFICE SYSTEMS MANAGEMENT (HONS)**

**UNIVERSITI TEKNOLOGI MARA (UITM)  
FACULTY BUSINESS MANAGEMENT**

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## **ABSTRACT**

The title for this study is the relationship between service quality and customer loyalty at Plexus Manufacturing Sdn.Bhd, Penang. The purpose of this study was to identify the relationship between service quality and customer loyalty at Plexus Manufacturing, Penang. Besides that this studies also to identify the level customer loyalty at Plexus Manufacturing Sdn.Bhd, Penang. The data were gathered through the questionnaire distributed to the employees as internal customer at Plexus Manufacturing Sdn.Bhd and 127 respondents were chosen randomly in order to determine the relationship between service quality and customer loyalty. The study was found that there is a relationship between service quality and customer loyalty. Both research questions were answered when the findings indicate that there are positive and significant relationship between service quality and service quality at Plexus Manufacturing Sdn.Bhd. The findings also show that the respondents agreed that service provided by Plexus Manufacturing were lead to customer loyalty and that is why many people work for 5 years and above. Based on the study it shows that the employees in Plexus Manufacturing as internal customer give positive response towards the implementation of this research study. Researcher had used SPSS version 22 to determine the relationship between service quality and customer loyalty at Plexus Manufacturing Sdn.Bhd, Penang.

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Nurfaznim Binti Shuib

Faculty of Business Management  
Universiti Teknologi MARA, Kelantan

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## CHAPTER 1

### INTRODUCTION

#### Background of Study

Service industries are playing increasingly important role in the overall economy for the most of the countries. A success of a service provider depends on the high quality relationship with customers (Panda, 2003) which determine satisfaction and loyalty (Jones, 2002). Research shown repeatedly that service quality influence organizational outcome such as performance superiorly (Poretla & Thanassoulis, 2005), increasing sales profit (Levesque & Mc Dougal, 1996; Kish, 2000; Duncan & Elliot, 2002) and market share, improving customer relations, enhance corporate image and promote customer loyalty (Newman, 2001; Szymigin & Carrigan, 2001; Caruana, 2002; Ehgie, 2006). Furthermore, service quality was found to be related to the customer loyalty through providing what customers needs. Delivering quality service to customers is must for success and survival in today's competitive services industries.