

ACKNOWLEDGEMENTS

First of all, i am grateful to the almighty god for establishing me to complete this Industrial Training Paper (MKT 669), which entitled "The Effect of Switching Costs and Price Plan on Customer Loyalty". At this moment, I would like to express my gratitude and appreciation to the following people for making this study possible. Hereby, i dedicate this to them i consider it pleasure and privilege to pay regards and thanks to Dr. Noorziah Mohd Salleh, Senior Lecturer Universiti Teknologi MARA, and also thanks to Ms. Jacqueline Koh Siew Len Stephen (second advisor), for their kind guidance and encouragements in the whole process of writing this industrial training paper (MKT 669). I really appreciate their patience, tolerance and their assistance in making this project reality. I also thank all the lecturers from Faculty Business Management that have taught me in this program i honestly appreciate their support, co-operation and teaching. Moreover, thank you to all Sabah Electricity Sdn. Bhd Kota Kinabalu employees' who had answered and give feedback on my questionnaire. For those whose names were not mentioned above, I sincerely would like to say a million thanks for the involvement during this report progression.

Lastly word of thanks is also extended to my entire friend in the BBA (Hons) Marketing, who has helped me in many ways, for all their support, tutoring and encouragements throughout the whole program. I also thank my parents for their unceasing encouragement and support.

May the mighty grace and blessing of god be upon all of you.

TABLE OF CONTENT

CONTENT	PAGE
TITLE	I
DECLARATION OF ORIGINAL WORK	II
LETTER OF SUBMISSION	III
ACKNOWLEDGEMENTS	IV
LIST OF TABLES	V
LIST OF FIGURE	V
ABSTRACT	VI
CHAPTER 1	
1.0 INTRODUCTION	
1.1 BACKGROUND OF STUDY	1
1.2 AN OVERVIEW	3
1.3 CHOSEN COMPANY FOR STUDY	5
1.4 SCOPE OF STUDY	5
1.5 PROBLEM STATEMENT	5
1.6 RESEARCH OBJECTIVE	6
1.7 RESEARCH QUESTION	6
1.8 SIGNIFICANCE OF STUDY	7
1.9 DEFINITION OF TERM	9
CHAPTER 2	
2.0 LITERATURE REVIEW	
2.1 CUSTOMER LOYALTY DEFINITION	11
2.2 FACTOR AFFECTING CUSTOMER LOYALTY	14
2.3 THE SWITCHING COSTS AND CUSTOMER LOYALTY	15

2.4 THE PRICE PLAN	17
2.5 INFLUENCE OF PRICE PLAN	19
2.6 THEORETICAL FRAMEWORK	21
CHAPTER 3	
3.0 RESEARCH METHODOLOGY	
3.1 INTRODUCTION	24
3.2 RESEARCH SAMPLING METHOD	25
3.3 DATA ANALYSIS	26
3.3.1 INTRODUCTION	
3.3.2 MULTIPLE LINEAR REGRESSION ANALYSIS	27
3.3.3 ESTIMATION OF MODEL PARAMETERS	28
3.3.4 ASSUMPTION OF THE REGRESSION MODEL	28
3.4 RELIABILITY	29
CHAPTER 4	
4.0 FINDING AND ANALYSIS	
4.1 DATA INTERPRETATION	31
4.2 INTERPRETATION OF SPSS OUTPUT	31
4.3 RELATIVE IMPORTANT OF INDEPENDENT VARIABLE	33
CHAPTER 5	
5.0 RECOMMENDATION AND CONCLUSION	
5.1 RECOMMEDATION	36
5.2 CONCLUSION	37
REFERENCES	39
APPENDICES	41
SPSS OUTPUT	44

ABSTRACT

The topic of this research is The Effect of Switching Costs and Price Plan on the Customer Loyalty toward mobile phone service in Kota Kinabalu. The purpose of this study is to examine how the switching costs and price plan affect customer loyalty on the mobile phone service. This sector is highly competitive and challenging as a new player coming in with aggressive price offering, high promotion, better network quality and great customer service. There is 50 respondents participated in this study. Out of this three variable tested (switching costs, price plan and customer loyalty), it is found that switching costs and price plan have positive relationship on customer loyalty. The present study has its own limitation since this research is only conducted in Kota Kinabalu, Sabah which is area as the sample size larger. In conclusion, service providers must be able to understand the effect of switching costs and price plan on the customer loyalty in the mobile phone service. It will be a great challenge for the service providers in preparing their strategic plan in maintaining customer loyalty and at the same time expending customer base.