



**VALUE CO – CREATION AND COOPERATIVE
MEMBER'S LOYALTY**

SITA ANAK JIN

2013382311

**SUBMITTED FOR THE FULLFILMENT OF THE
REQUIREMENT FOR DEGREE BACHELOR OF
BUSINESS ADMINISTRATION WITH HONOURS
(MARKETING)**

FACULTY OF BUSINESS MANAGEMENT

UNIVERSITI TEKNOLOGI MARA

SARAWAK

JUNE 2016

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ABSTRACT

Nowadays, the number of cooperative in Sarawak is increasing since people are getting aware of its function. They became interested to join cooperative because they believe that they will get something out of it. In Malaysia, the idea of cooperative establishment was introduced by Sir Arthur Young in Malaya, in the year of 1907, Cooperative Commission of Malaysia (2013). However, during the early stage, this cooperative was less supported by the community due to the existence of the elements of ribs. As time goes by, cooperative had uplifted by the existence of those responsible member and those who are willing to give their full commitment towards the cooperative. The evolution and development of co-operative in Malaysia had helped to uplift the economic structure In Malaysia as well as increase life standard of its community that joined it. In accordance to that, these co-operative members are now getting aware with what their co-operative could benefits them along their involvement.

CHAPTER 1

INTRODUCTION

This study is purposely to explore the key elements that affecting loyalty among co-operative members. This chapter will be firstly discussed the background and the issues related to loyalty and co creation then the research problem. Next are research questions, and from that research objectives will be developed, the significance of the study and be followed by the scope of study.

1.1 Background of the Study

The word loyalty is no longer a foreign word in the context of business in today's world. Mentioned of loyalty, of course we will think about faith, not turning direction, and remains in a position at a relatively long period. In business perspectives, loyalty among the customers as well as the members of an organization is crucially important in order to ensure the sustainability and a good reputation of that particular organization. R.A.J van Es (2012) in his study of the relationship between service quality and customer loyalty, and its influence on business model design stated that; a high service quality is positively interrelated with customer loyalty. On the other hand, by taking an example from service industry like online banking, service quality alone could not ensure the loyalty among its customers towards that particular bank but, the existence of the feeling of trust among them does (Valerie, 2009). Valerie (2009) found that, the service providers should create a trust relationship with customers by being honest, sincere and deliver what they had promise to their

CHAPTER 2

LITERATURE REVIEW

2.1 Preamble

In this literature review, there are some important keywords that must be highlighted and discussed in order to ensure the understanding and accuracy of the unfamiliar term. Boote and Beile (2005) mentioned that, the literature need to be described, summarized, evaluated and clarified by the review. Therefore, below are the reviews of each collected literature in my research paper.

2.2 Value Co-creation

In cooperative world, value can be defined as overarching criteria that people use to make choices (Etzioni, 1990). Values may be moral, personal, social or aesthetic (Williams, 1968). It has been discussed whether values are universal and set apart from actual knowledge, or if they are based on individuals' past knowledge (Jackson, 2009). In both cases values have a connection to moral. Values can also be understood as sets of Standard Operating Procedures how individuals lower their transaction costs of making decisions in new situations. Values make the longer-range decision criteria as more important than short-run obvious gains. In this way values lead into behavior that may be called loyalty. Some human values are of a general character, influencing how an individual behaves at large, while other values are more specific and may concern, for example, behavior in relation to cooperative