

**A STUDY ON PROMOTION STRATEGY OF KTMB
INTERCITY SERVICE'S IN ENHANCING
CUSTOMER LOYALTY**

NOR AZWA BINTI AMINUDIN

**Submitted in Partial Fulfillment
of the Requirement for the
Bachelor of Business Administration
(Hons) Marketing**

**FACULTY OF BUSINESS MANAGEMENT
UiTM, MELAKA**

2007

ACKNOWLEDGEMENTS

First of all, syukur, Alhamdulillah to Allah SWT for giving me the encouragement to face all barriers and shortcoming while completing the project paper. It will be my honored to say thank you with sincere appreciation to all that contributed until project paper successfully completed.

It will be my pleasure to express my salute and appreciation to my respecters' supervisor, Puan Zainah Bt Jalil for her valuable guidance, ideas, comments, and patience throughout the progress of this project paper. Thank for your criticism and supervision in realizing of the success of this project.

A special thanks for Assoc. Prof. Shahariah bt Hj Osman as my second advisor for the guidance, ideas, and comments throughout the progress of this project paper.

I also would like to take this opportunity to thanks all my friends in Bachelor of Business Administration (Hon) Marketing and staff from KTMB Intercity in giving me their moral support, ideas, and views during my research and also to all my respondent who able to scarify their time to complete my questionnaires.

Finally, I would like to thank to my beloved parents for they're understanding and financing support that give me strength to fulfill the project paper.

TABLE OF CONTENTS	PAGE
ACKNOWLEDGE	iv
LIST OF TABLES	vii
LIST OF FIGURES	viii
ABSTRACT	ix
 CHAPTERS	
1. INTRODUCTION	
1.1 Background of the study	1
1.2 Background of the company	3
1.3 Problem Statement	7
1.4 Research Question	11
1.5 Research Objective	11
1.6 Theoretical Framework	12
1.7 Significance of Study	13
1.8 Scope of the Study	14
1.9 Limitations of the Study	15
1.10 Definitions of Terms	16
 2. LITERATURE REVIEW	
2.1 Overview	17
2.2 Customer Loyalty	17
2.3 Promotion	27
2.3.1 Advertising	30
2.3.2 Sales promotion	31
2.3.3 Personal selling	33
2.3.4 Public relation / Publicity	35
 3. RESEARCH METHODOLOGY AND DESIGN	
3.1 Introduction	37
3.2 Research Design	37
3.3 Population	38
3.4 Sampling	38
3.4.1 Sampling size	39
3.4.2 Sampling Technique	39
3.5 Data Collection Method	
3.5.1 Focus Group	40
3.5.2 Primary Data	40
3.5.3 Secondary Data	41
3.6 Survey Instrument	41

3.	Data Analysis and Interpretation	42
4.	ANALYSIS AND INTREPETATION OF DATA	
4.1	Introduction	44
4.2	Reliability Test	45
4.3	Frequency Analysis	47
	4.3.1 Promotion Strategy	47
4.4	Descriptive Statistics	55
	4.4.1 Effects of Promotion Strategy toward Customer Loyalty	55
	4.4.2 Levels of Customer Loyalty toward KTMB Intercity Services	56
	4.4.3 Aspects in the Promotion Strategy That Needs To Be Improved	59
5.	CONCLUSION AND RECOMMENDATIONS	
5.1	Introduction	61
5.2	Conclusions	61
5.3	Recommendations	
	5.3.1 Improve Promotion Strategies	63
	5.3.2 Education	64
	5.3.3 Improve In Services Offered	65

BIBLIOGRAPHY

APPENDICES

Appendix I - Cover Letter

Appendix II - Questionnaire

Appendix III - Photographic / Maps / Lengthy Charts

ABSTRACT

The main purpose of the research is to identify and determine the factors that effect the customer loyalty toward the KTMB Intercity services. Factors such as advertising, sales promotion, personal selling, and publicity have been identified in order to investigate whether or not these factors have significant relationship with customer loyalty.

For this study, the questionnaire will be distributed to 50 respondents, taken at Kuala Lumpur Central Station and several other locations such as Gemas Station and Wakaf Bharu Station. Data obtained using two methods that are primary and secondary data. The survey is investigated about the promotion strategy that will enhance customer loyalty whereby the respondents will be asked about the promotion strategy (advertising, sales promotion, personal selling, and publicity) and the recommendation in improving the promotion strategy that have being done by the KTMB Intercity. Once the necessary data has been collected, the data will be analyzed and summarized in a readable and easily interpretable form. The Statistical Package for the Social Science (SPSS) version 12.0 has been used to summarize the data. The results are in the form of reliability testing, frequency, cross tabulation, correlation, and regression analysis.

This research found that respondents are still not aware with the products/services offered by KTMB Intercity. They need more promotion on the products/services that offered by KTMB in order to make them familiar with the company's products/services as compete with others transportation company and to increase their loyal customer in the future.