

UNIVERSITI TEKNOLOGI MARA

**THE EFFECT OF RELATIONSHIP
MARKETING TACTICS ON CUSTOMER
LOYALTY WITHIN THE MALAYSIAN
MOBILE TELECOMMUNICATION
INDUSTRY: THE MEDIATING ROLE OF
RELATIONSHIP QUALITY**

MOHAMAD FARIZ BIN ABDULLAH

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CONFIRMATION BY PANEL OF EXAMINERS

I certify that a Panel of Examiners has met on 23rd March 2017 to conduct the final examination of Mohamad Fariz Bin Abdullah on his Master of Science thesis entitled “The Effect of Relationship Marketing Tactics on Customer Loyalty within the Malaysian Mobile Telecommunication Industry: The Mediating Role of Relationship Quality” in accordance with Universiti Teknologi MARA Act 1976 (Akta 173). The Panel of Examiners recommends that the student be awarded the relevant degree. The panel of Examiners was as follows:

Mazila Md Yusuf, PhD
Associate Professor
Arshad Ayub Graduate Business School
Universiti Teknologi MARA, Shah Alam
(Chairperson)

Nor Hashima Hashim, PhD
Associate Professor
Arshad Ayub Graduate Business School
Universiti Teknologi MARA, Shah Alam
(Internal Examiner)

Zalfa Laili Hamzah, PhD
Senior Lecturer
Faculty of Business and Accountancy
Universiti Malaya
(External Examiner)

DR. MOHAMMAD NAWAWI
DATO' HAJI SEROJI
Dean
Institute of Graduate Studies (IGS)
Universiti Teknologi MARA, Shah Alam
Date: 30th May 2017

ABSTRACT

The subject area of this study is concerned with the effect of relationship marketing tactics and relationship quality on customer loyalty in a competitive mobile service industry in Malaysia. Relationship marketing nowadays is an important topic, especially to the businesses that involve a service because it can offer to the establishment of long-term and stable relationship between service providers and the customer, thereby encouraging customer loyalty (Rizan et al., 2014). This study has explored the applicability of the *Pull-Push-Mooring (PPM) Migration Model* by Bansal et.al, (2005) and measurement of the relationship of *The Commitment-Trust Relationship Marketing Theory* by Morgan & Hunt (1994). This study also focused on the main players of mobile telecommunication service providers in Malaysia, which are Maxis, Celcom, DiGi, and others. A total of 382 mobile phone users from four major cities in Malaysia completed a questionnaire to provide the empirical data for the analysis. A quantitative research method was applied to test the hypotheses developed in this study using SPSS version 20. Multiple regressions analysis and bootstrapping method by Preacher and Hayes (2008) were employed in order to test the hypothesized path model. The findings provided significant insights into both theoretical and managerial implications; contributed to relationship marketing literature by providing empirical evidence that relationship marketing tactics have an effects on the customer loyalty. Emotion as a mooring factor in the relationship marketing tactics was found to be significantly influenced the customer loyalty. The mediating effects of relationship quality also supported the Morgan & Hunt (1994)'s theory, which stressed the importance of its dimension; commitment and trust as a key in developing a successful marketing relationship.

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CHAPTER ONE

INTRODUCTION

1.1 INTRODUCTION

The subject area of this study is concerned with the effect of relationship marketing tactics in cementing customer loyalty in a highly competitive service industry. Morgan and Hunt (1994, p. 20), defined relationship marketing as “*all marketing activities directed toward establishing, developing, and maintaining successful relational exchanges*”, meanwhile, DeWulf, Odeken-Schorcler, and Iacobucci (2001) was the first to use the term relationship marketing tactics (hereafter refer as RMTs) in their study to investigate its role in strengthening retailer–consumer relationships, and found that RMTs play a positive role in affecting customer loyalty. Since that, relationship marketing topic was described to be a central subject in marketing research amongst the researchers (Steward, 2002).

The concept of relationship marketing is established on the assumption that efficient and effective relationship between buyers and sellers (Widana, Wirvono, Purwanegara, & Toha, 2015). In simplest understanding, the concept of relationship marketing emphasizes on customer retention and customer satisfaction rather than focusing on profit alone, and in the meantime, service providers which practice relationship marketing have made the long-term value of their customers a focus of attention (Soimo, Wagoki, & Okello, 2015). This process enabled the service providers to create a strong relational bond with the customers, resulting in improved performance (Anderson & Karlstrom, 2014). Since the practice of keeping customers appears to be the most challenging over time, the practice of the relationship marketing has become more and more crucial since its purpose is to increase customer loyalty (Alrubaiee & Al-Nazer, 2010).

Therefore, this chapter first described the background of the study, relationship marketing which includes; the growing importance of relationship marketing in the competitive service industry in brief, and the history of mobile telecommunication service providers in Malaysia. Then, this study has described other elements in the chapter, which includes the research problem, research objectives,