

**COMPETITIVE PROFILE:  
CUSTOMER LOYALTY IN  
AUTOMOBILE  
SECTOR IN MALAYSIA**

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## **ABSTRACT**

It is believed that every customer expect every company to offer good product quality and good services at competitive price. This will increase customer satisfaction and tend to create "customer delight". As a result, customer retention rate will increase from time to time. This customers tend to create more values to the firm and greater in profitability. However, some of the companies are far away from meeting customers requirement, therefore, a measurement is needed to determine the competitiveness in terms of customer loyalty. The aim of this study is to provide guidelines in measuring customer loyalty in automobile sectors by applying Competitive Profile Matrix. Customer loyalty comprises of a marketing mix of product quality, salesforce, competitive price and marketing support. On the basis of the analysis, the study indicated that competitive price is very strong to determine customer loyalty in Malaysian scenario. In terms of competitiveness, Proton is the strongest among the companies that have been evaluated.

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## 1.1 INTRODUCTION

Customer loyalty is one of the most significant issues in today's business world. Everyone is trying to satisfy their customers by meeting customer's expectation. If customers are satisfied, they tend to ensure the repeat purchase and recommend to others. But satisfying customer alone does not bring loyal customer to the company. Therefore, they have to retain customer as long as they can because this customer tend to create more values to that organisation.

Customer loyalty is derived from customer satisfaction plus a commitment from that customer to build a long term relationship with the company. Therefore, it is based on behaviours rather than attitudes of the customer to make repeat purchase and likelihood to recommend to others.

Customer expects good product quality and good services at competitive price. This will increase the level of customer satisfaction and tend to create "customer delight." When the level of customer satisfaction increases, rates of customer retention increase and this tends to lead to greater in profitability. However, when the level of satisfaction decreases, the company experiences a decline in the market share.