

**THE RELATIONSHIP BETWEEN SERVICE QUALITY AND CUSTOMER
LOYALTY AT AUTOMOBILE ASSOCIATION OF MALAYSIA,
SEREMBAN**

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ABSTRACT

The purpose of this study is to obtain a better understanding and to get an outcome about the relationship between service quality and the customer loyalty. The present research was conducted in an Automobile Association of Malaysia, Seremban (AAM) in 2014. In this research, the service quality standard model has been used for evaluation of service quality, Gremler and Brown (1996) model with some revision was used for evaluating the loyalty. The focus of this research is an Automobile Association of Malaysia branch at Seremban and 169 customers of this service provider were sampled. The results of this research show that in all aspects, customers' expectation, either they are loyal or not towards this AAM, Seremban service provider and in fact on how the quality of offered services is. The collected data then analyzed using the SPSS 21. The results of the study revealed that service quality was positively correlated with customer loyalty and both of the factors are significant. Some recommendations for future research are also made.

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CHAPTER 1

INTRODUCTION

Background of Study

Service industries are playing increasingly important role in the overall economy for the most of the countries. A success of a service provider depends on the high quality relationship with customers (Panda, 2003) which determine satisfaction and loyalty (Jones, 2002). Research shown repeatedly that service quality influence organizational outcome such as performance superiorly (Poretla and Thanassoulis, 2005), increasing sales profit (Levesque and Mc Dougal, 1996; Kish, 2000; Duncan and Elliot, 2002) and market share (Fisher, 2001), improving customer relations, enhance corporate image and promote customer loyalty (Newman, 2001; Szymigin and Carrigan, 2001; Caruana, 2002; Ehgie, 2006). Furthermore, service quality was found to be related to the customer loyalty through providing what customers needs. Delivering quality service to customers is must for success and survival in today's competitive services industries.