



**DETERMINANTS OF MEMBERS LOYALTY TOWARDS
COOPERATIVE IN SARAWAK**

SYED MUHAMMAD OTHMAN BIN SAYED HUSSEIN

2013176257

**BACHELOR OF BUSINESS ADMINISTRATION (HONS) MARKETING
FACULTY OF BUSINESS MANAGEMENT
UNIVERSITI TEKNOLOGI MARA
SARAWAK**

JUNE 2016

TABLE OF CONTENT

AUTHOR'S DECLARATION	I
LETTER OF SUBMISSION	II
ACKNOWLEDGEMENT	III
TABLE OF CONTENT	IV
LIST OF TABLES	V
LIST OF FIGURES	
V111	
ABSTRACT	IX

CHAPTER 1

PREAMBLE

1.0 Chapter Introduction	1
1.1 Background of the Study	1
1.2 Cooperative in Malaysia	3
1.3 Research Problem	4
1.4 Research Questions	6
1.5 Research Objectives	6
1.6 Scope of the Study	7
1.7 Significance of the Study	7
1.8 Limitations of the Study	8
1.9 Definition of Terms	9
1.10 Conclusion	10
1.11 Chapter Layout	11

CHAPTER 2

LITERATURE REVIEW

2.0 Introduction	13
------------------	----

ABSTRACT

This research attempts a quantitative investigation that measure and identify the determinants of member's loyalty towards cooperative in Sarawak. There are so many determinants of member's loyalty, but this research was only focusing on four determinants of member's loyalty which are satisfaction, trust, value and resistance to change. Although, the previous research had emphasized on discussion towards loyalty but it is lack of study towards on the determinants towards members loyalty among cooperative. This research will describes an empirical studies to find the significant relationship and also the strength of the relationship between member's loyalty towards satisfaction, trust, value and resistance to change. A survey had been conducted in non probability sampling technique which was convenience method by selecting cooperative training institution, MaktabKoperasi Malaysia (MKM) Sarawak, that representing Cooperative Members in Sarawak. This study used descriptive methods to describe the behavior of data and Statistical Package for Social Science (SPSS) version 22 was used to analyze the data collected. Summaries of reasons and discussions of the finding for each research question are also given. This findings give some thought on the better understandings of determinants of member's loyalty towards cooperative. Cooperative may find these result very helpful to improve their member's loyalty and remain competitive in business organization competition to achieve their goals.

Keyword: Relationship, Members loyalty, Satisfaction, Trust, Value, Resistant to Change, MaktabKoperasi Malaysia (MKM), Cooperative

CHAPTER 1

PREAMBLE

1.0 Chapter Introduction

Chapter 1 provides an overview of the whole research. It outlines the background of the study, research problem, research questions, research objectives, scope of the study, significance of the study, limitation of the study and the overall conclusion of the chapter. The terms and definition also highlighted in this chapter.

1.1 Background of the Study

Cooperative is an age old way to achieve goals that is beyond the resources of an individual and when working together offers many favorable and practical solutions (Skurnik, 2010). Cooperatives are an organization that voluntary to all person that want to have their services and able to accept the responsibilities when becomes a member without being unfair towards social, political, gender, racial, or religious discrimination (Skurnik, 2010).

According to Ahmad, Yacoob and Ibrahim (2013), Cooperative can be considered as the community developments tools. The involvement of the cooperative in Business cooperative can benefit all the members and give opportunities to their family members and communities. Cooperative is one of important element around the world for development ,growth and also the economy. Othman and Kari (2008), stated that cooperative nowadays are found mostly in all countries from the developing nations of Africa, South America and Asia to the industrial countries of North America and Europe.

In Malaysia, the entire cooperative are following the values of equity, democracy, solidarity, self-help, equality, and self-responsibility (Othman & Kari, 2008). The researcher also

CHAPTER 2

LITERATURE REVIEW

1.0 Introduction

This chapter will discuss the studies that are related to the topic, and the literature reviews are arranged based on the issues needed to the studies. Literature review is documentation of a comprehensive reviewed of the published work to act as a secondary data sources for the studies (Sekaran, 2003). Various databases, books, journal articles and online publications have been available in developing this literature review and can guarantee the reliable information and suitability identified with the subjects were acquired.

2.1 Cooperative movement in Sarawak

The cooperative was firstly established on January 1, 1949 with the name of "Cooperative Societies Department". The Head of Department of Sarawak's Cooperative Development was then called as "Commissioner Cooperative Development" and the functions as the Registrar of Cooperatives Development in Sarawak.

On September 16, 1963 when Sarawak become one of the Malaysia state, Sarawak's Cooperative Development Department has become a federal matter and operates as one of the branches of Malaysia's Cooperative Development Department. This department was officially placed under the Ministry of Agriculture and Cooperative and the Ministry of National and Rural Development. The ministry was changed after the election in 1990 where Cooperative Development Department was then changed under the Ministry of Land and Cooperative Development. Not long after that, it was placed under the Ministry of Entrepreneur Development