



**INVESTIGATE THE IMPACT OF RELATIONSHIP MARKETING
ORIENTATION ON CUSTOMER LOYALTY**

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EXECUTIVE SUMMARY

This report concludes that the entire element needed for the purpose of the research and it just for the study of relationship marketing orientation on customer loyalty. This report is to investigate the impact of relationship marketing orientation on customer loyalty in local bank service industries.

Firstly, it will identify the topic of research background which is on relationship marketing dimensions. After that, the dimensions in relationship marketing toward customer loyalty will be explored. This is to find whether relationship marketing will influence or give a significant impact on customer loyalty.

Secondly, it will rank the major dimensions of relationship marketing towards the customer loyalty. The ranking of relationship marketing is base on customer point of views. It will show which dimensions giving more impact towards customer loyalty. There also will have a recommendation program or plan to retain customers.

There are also a key terms that be use in this research which directly can be main point in this research. All the information given above just only introduction for the research, to get the better finding, the analysis should be in accurate otherwise it will affect the result in future.

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1. INTRODUCTION

1.1 Background of the study

Relationship marketing has been receiving increasing attention in recent years as more and more organizations focus their attention on retaining existing customers rather than attracting new ones. Although the origins of relationship marketing are to be found in an industrial context, it is with the increasing importance of the services sector during the last decade that relationship marketing has emerged as an important topic in helping marketers focus on maintaining and enhancing customer relationship.

Relationship marketing has been put forth as a way for firms to develop mutually beneficial and valuable long-term relationships with customers (Ravald and Grönroos, 1996). Relationship marketing is believed to work most effectively when customers are highly involved in the good or service, there is an element of personal interaction, and customers are willing to engage in relationship building activities (O'Malley and Tynan, 2000). Customer oriented relationship marketing programmes that enhance the flow of information between the bank and customers increase customers' positive feelings towards their bank, thereby also increasing relationship strength (Barnes and Howlett, 1998; Ennew and Binks, 1996).

Relationship Marketing is a broadly recognized, widely-implemented strategy for managing and nurturing a company's interactions with clients and sales prospects. It also involves using technology to organize, synchronize business processes, (principally sales and marketing activities), and most importantly, automate those

2. LITERATURE REVIEW

In literature review we look at related research that had been conducted from previous study which helped us to comprehend in detail the each scope of the study. First section of literature review for this study is about conceptualization of relationship marketing. Second section of literature review is about relationship marketing orientation such as dimensions of relationship marketing. Third section is about customer loyalty such as measures of customer loyalty.

2.1 Relationship Marketing

Relationship marketing refers to all marketing activities directed toward establishing, developing, and maintaining successful relationship exchanges (Mishra & Liy, 2008). After a comprehensive review of 26 definitions of relationship marketing, Harker (1999) proposes the following description: An organization engaged in proactively creating, developing, and maintaining committed, interactive, and profitable exchanges with selected customers (partners) over time is engaged in relationship marketing” (Sin et al., 2005). Grönroos (1990), states that the purpose of relationship marketing is to identify and establish, maintain, and enhance relationships with customers and other stakeholders, at a profit, so that the objectives of all parties involved are met” and that this is done by a mutual exchange and fulfillment of promises” Relationship marketing theory suggests that successful relationship marketing results from certain aspects of cooperative relationships that characterize successful relational exchanges (Hunt, Arnett, and Madhavaram 2005). Arnett and Badrinarayanan(2005) conceptualize a relationship marketing competence as a