

**CUSTOMERS LOYALTY BEHAVIORAL FACTORS AT
SERVICE PROVIDER: CASE STUDY AT INDAHREKA
PERABOT & KABINET**

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**BACHELOR OF INDUSTRIAL TECHNOLOGY MANAGEMENT WITH
HONOURS**

UNIVERSITY MALAYSIA PAHANG

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PROVIDER: CASE STUDY AT INDAHREKA PERABOT & KABINET**

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SUPERVISOR DECLARATION

I hereby declare that i have checked this project and and in my opinion, this project is adequate in terms of scope and quality for the award of degree of Bachelor of Industrial Technology Management with honor.

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Date : _____

STUDENTS DECLARATION

I hereby declare that the work in this project is my own except for quotations and summaries which have been duly acknowledged. The project has not been accepted for any degree and is not concurrently submitted for award of other degree.

Signature : _____

Matrix No : PC12098

Supervisot : Wan Muhammad Noor Sarbani Bin Mat Daud

Date : _____

DEDICATION

This project is dedicated to whole my family especially to my dear father, Hashim Bin Kahar, my beloved mother Pauzeyah Binti Mohd Husin who has shared and gave love and spirit for me and my family members who have supported me during my studies. I would like to thanks to my supervisor Wan Muhammad Noor Sarbani Bin Mat Daud who supported me and give me guidance to finish this research study. Thanks for your teaching me and giving the needed motivation and morale during my research study.

ACKNOWLEDGEMENT

In name of Allah, the most beneficent and the most merciful. May his blessing and mercy be upon our prophet Muhammad S.A.W. May thank to Allah first and last.

Firstly I would like to express my sincere gratitude to my supervisor of this project, Wan Muhammad Noor Sarbani Bin Mat Daud for the valuable guidance and advice. He inspired me greatly to work in this project. His willingness to motivate me contributes tremendously to my project.

I acknowledge my sincere indebtedness and gratitude to my parents for their love, dream and sacrifice throughout my life. There are no such beautiful words that could properly describe my appreciation for their devotion, support and faith in my ability to attain my goals. Special thanks should be given to my colleagues. I would like to acknowledge their comments and suggestions, which was crucial for the successful completion of this study.

Lastly, I would like to thank all my friends to my beloved person for their understanding support on me to complete this project.

ABSTARCT

Nowadays, the services offered by the company are crucial and very important to the customer. Good service and service quality are very important to get loyalties of the customers continue to use the services offered by companies to their liking. Customers are an important asset for all companies to continue their business. Customers are loyal to the services offered by a company can be assessed by a number of factors. Among the factors is the quality of service, reliability and customer satisfaction, the location of a company and the value perceived by the customer. The furniture company is the company that researcher choose to do this research. Nowadays, many furniture companies are dominance by Chinese People Company. So, the researcher choose this company because this company owner by Malay people. Not many Malay people can maintain in business nowadays. The main objective of this study was to identify the behavior factors directed toward a dominant lead customer loyalty. In addition, this studies also to identify the relationship between the factors of behavior and customer loyalty. This study will focus on the member customers using the services offered by Indahreka Perabot & Kabinet in Kuantan.

ABSTRAK

Pada masa kini, perkhidmatan yang ditawarkan oleh semua syarikat amatlah penting dan amat dititikberatkan oleh pelanggan. Perkhidmatan yang baik dan berkualiti amatlah penting bagi mendapatkan kesetiaan daripada pelanggan untuk terus menggunakan perkhidmatan yang ditawarkan oleh syarikat yang mereka sukai. Pelanggan merupakan aset penting bagi semua syarikat bagi meneruskan perniagaan mereka. Pelanggan yang setia terhadap perkhidmatan yang ditawarkan oleh sesuatu syarikat boleh dinilai melalui beberapa faktor. Antara faktornya ialah kualiti perkhidmatan, kepercayaan, kepuasan pelanggan, lokasi sesebuah syarikat dan nilai yang dilihat oleh pelanggan. Syarikat Perabot adalah syarikat yang dipilih untuk menjalani kajian ini. Pada masa ini, dapat dilihat banyak kedai perabot telah dimiliki oleh orang Cina. Jadi kajian ini memilih syarikat ini kerana syarikat ini dimiliki oleh orang Melayu. Tidak ramai orang Melayu yang boleh bertahan dalam dunia perniagaan pada masa kini. Objektif utama kajian ini adalah untuk mengenal pasti faktor tingkah laku yang dominan yang membawa kepada kesetiaan pelanggan. Selain itu, kajian ini juga untuk mengenal pasti hubungan di antara faktor-faktor tingkah laku dan kesetiaan pelanggan. Kajian ini akan memberi tumpuan kepada pelanggan yang menggunakan perkhidmatan yang ditawarkan oleh Indahreka Perabot & Kabinet di Kuantan.

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CHAPTER 1

INTRODUCTION

1.1 INTRODUCTION

Nowadays, many firms are trying and focus on their efforts to maintain their customer loyalty. Many companies improve their service quality with developing and implementing their strategies to increase their customer loyalty and satisfaction. The customer is the most important asset for all businesses. This is because customers are individuals who will purchase goods or services of one enterprise and will raise the profitability of its business. Customer loyalty to the goods and services produced by a company are also important.

Customers are loyal to a brand, service or product is very difficult to find. This is because customers will evaluate in advance of any goods or services produced by a company. Customers will evaluate various aspects such as quality, quantity, price and many others. When the comments given by the customer whether negative or positive, the company needs to take action and find solutions to get the customer loyalty at services and goods that provide by the company. It is very important because customer is always right. Therefore, to gain the loyalty of customers, businesses should look for initiatives to enable customers are always satisfied with their services and goods.

When a company is able to earn customer loyalty, it is a bonus to the company. This is because the company is able to raise and maintain the profitability of their companies every year. This study was undertaken to identify the factors that led to customers' loyalty. This research paper discusses about problem background, problem statement, research objectives, research questions, research scope, and expected result. The purpose of this study is to determine the dominant factors of the customer loyalty.

1.2 PROBLEM BACKGROUND

Customer satisfaction is considered to be a key element for a company's success in the market, a leading criterion in determining the quality of service or product to the customers, and it is also crucial for organizational survival. The table is showed based on the problems in other previous researchers.

Table 1.2.1: The Previous Researchers

Author	Year	Description
Stone et al	2000	It is hard to meet all customers need at once and therefore it is essential to prioritize certain customers and their needs. Competitive survival is achieved by meeting the most important needs of the most important customers. By accomplishing this and meeting the needs of customers whose needs are not being met by competitors, a company can achieve a competitive advantage,
Butscher	2000	To be close to the customer and manage successful investments to create customer loyalty is not only important, it is the key factor to success for many companies. The established companies' closeness to the customers becomes a high entrance barrier for new

		companies on the market. This because the new companies do not only have to meet the already established companies high standards, nut also break into a system of strong personal relationship, trust and respect.
Salmiah Mohamad Amin et al	2012	As a matter of fact, perceived service quality was found to be the most critical contributing factor to customer loyalty, followed by corporate image, trust and switching cost. Furthermore, favorable corporate image can influence the repeat patronage of customer and thus constitute to customer loyalty. In addition, customers' trust towards a service provider can restrain them from changing to another provider. Lastly, higher switching cost will make customer less likely to switch to other providers.

1.3 PROBLEM STATEMENT

Improving customer satisfaction is a critical component of the store to get the customers loyalty. Consequently, the furniture store spends higher cost per year to better assess customers' satisfaction and understand the elements of loyalty. With an understanding of what causes customers to come and to return, the manager can act to increase loyalty. So, they manager must know about the factors that make customers become satisfaction and then loyalty. This situation can make the profitability of this furniture store will increases. Moreover, building and managing strong brand image is one of the key drivers of success in manage the to retain its customer's loyalty. The manager must know the factors make the customers more loyalty and make the improvement at the factors to attract more customers to come and use their service to get a cabinet in the customer's house.

However, there is still lack of these studies in Malaysia. The media and newspaper publications and also effects of word-of-mouth towards consumers' purchasing decision were rarely discussed. It should be focused on positive or negatively publicity. This research aims to identify the dominance behavioral factors that led on customer loyalty at Indahreka Perabot & Kabinet. This research helps to provide a better understanding of the significance and relationship of service quality, location, trustworthiness and perceived value on customer loyalty at Indahreka Perabot & Kabinet.

1.4 RESEARCH OBJECTIVES

The objectives of this study will be to:

- 1) To identify the dominance behavioral factors that led of the customer loyalty
- 2) To identify the relationship between the behavioral factors and customer loyalty.

1.5 RESEARCH QUESTIONS

The research questions used in this study are:

- 1) What the dominance behavioral factors that led of the customer loyalty?
- 2) How the relationship between the behavioral factors and customer loyalty?

1.6 RESEARCH SCOPE

To collect the data, these studies focus on customers that come and using the services this furniture store. The scope of this research was focus in this furniture store area only.. This study was carried out to investigate about customer loyalty. To carry out this study, Indahreka Perabot & Kabinet was chosen to make this study. The furniture store will analyze from various factors. The participants randomly selected. This store was selected to see the dominance behavioral factors that led to customer's loyalty and the relationship between the behavioral factors that makes the customers loyalty. The scope of this research is the customers that come and makes a decision to use this store service.

1.7 OPERATIONAL DEFINITIONS

Loyal Customer:

Loyal Customer is the customer who comes and using the services furniture store whenever possible, and who continues to recommend or maintains a positive attitude towards the furniture store

Perception:

Perception is the process through which human beings select, organize, and Interpret stimuli into a meaningful picture of the world. It has strategy implications for marketers because customers make decisions based upon what they perceive, rather than on the basis of objective reality.

Customer Satisfaction:

Customer satisfaction is a term frequently used in marketing. It is a measure of how products and services supplied by a company meet or surpass customer expectation. Customer satisfaction is defined as the number of customers, or percentage of total customers, whose reported experience with a firm, its products, or its services (ratings) exceeds specified satisfaction goals.

Service Quality

Quality is often associated with satisfied or preferably "delighted" customers. It is the general impression of the relative of the relative inferiority or superiority of the organizations and its services.

Trust

It is the extent to which the trustee's behavior meets with the trustee's expectations in a particular interaction.

Perceived Value

The worth that a product or service has in the mind of the consumer. The consumer's perceived value of a good or service affects the price that he or she is willing to pay for it. For the most part, consumers are unaware of the true cost of production for the products they buy. Instead, they simply have an internal feeling for how much certain products are worth to them. Thus, in order to obtain a higher price for their products, producers may pursue marketing strategies to create a higher perceived value for their products.

Customers:

This study can serve as a guide to the user in order to identify the extent of customers satisfaction at services that provided by furniture store. Customers will be more aware of the accommodation place that they visited to get quality services.

1.8 SIGNIFICANT OF STUDY

This study aim to identify the dominance behavioral factors that led to customers loyalty in a Indahreka Perabot & Kabinet. This knowledge may assist this store manager to implement strategies which will ensure that this furniture store will receive loyalty from both existing and prospective customers. Other than that, this research can provide information that could be a platform for a series of related research and follow-up studies. Therefore, this study may give motivation for advanced future research in the related area.

1.9 HYPOTHESIS

Hypothesis is a tentative statement that made by a researcher regarding the underlying problem in the research.

H₀: No significant relationship between the behavioral factors and customer loyalty.

H₁: There is significant relationship between the behavioral factors and customer loyalty.

1.10 THEORITICAL FRAMEWORK

This conceptual framework shows the relationship between the independent variable and dependent variable to study the customers' loyalty behavioral factors at services provider in this furniture store. The conceptual framework was developed based on few previous studies such as from Lo Liang Kheng (2010).

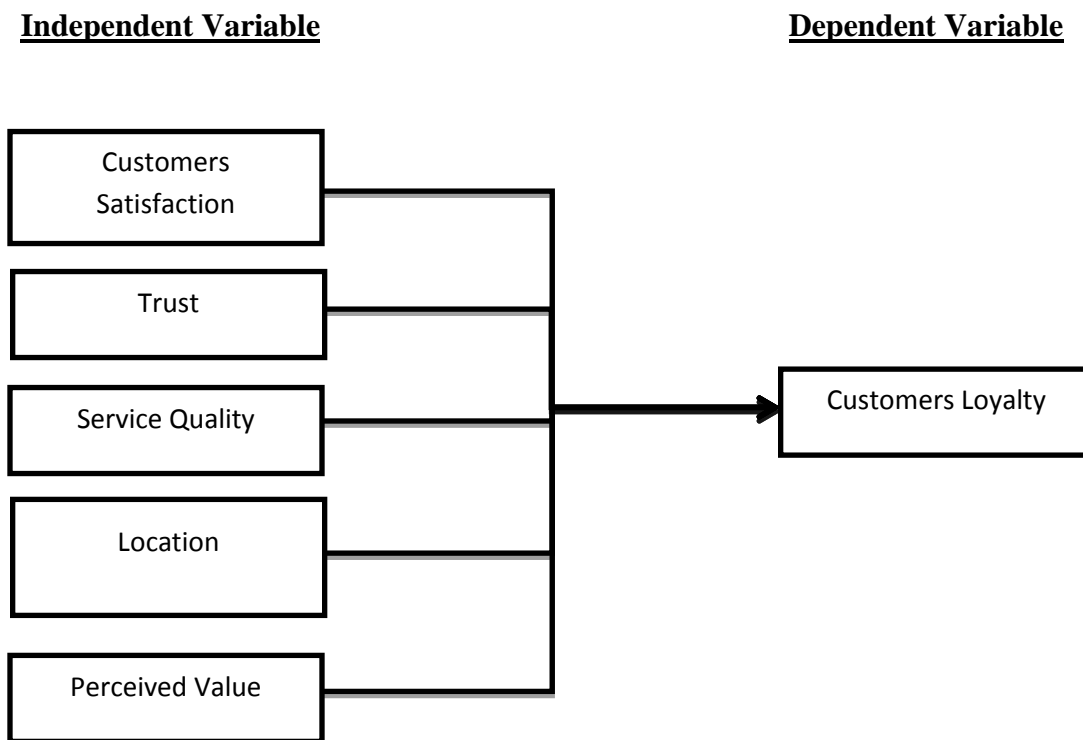


Figure 1.10.1: Theoretical framework of the factors that led to customers' loyalty.

1.11 EXPECTED RESULT

This research is about customers' loyalty behavioral factors at services provider in a Indahreka Perabot & Kabinet. This research will give more information about the dominance behavioral factors that led to customers' loyalty. As a guest, customers must need a satisfaction from the accommodation place that they choose to come. In addition, the outcomes of the research will offer important that makes customers become satisfaction and loyalty.

I expect my result to show the factors that led to customer loyalty in a Indahreka Perabot & Kabinet. My target in this research is to get the main behavioral factors that make customers become a satisfaction and loyalty at services that provide by this furniture store. My target is guests that come and using the services furniture store. So, I expect this research will become a good references to others researchers to get more information about the factors to customers loyalty.

I expect I will get more information about the relationship between the behavioral factors and customer loyalty. Then from the information I will make a conclusion the reason customer become loyalty at a store and the behavioral factors that led to customer loyalty.

CHAPTER 2

LITERATURE REVIEW

2.1 INTRODUCTION

This literature review shows the explanation of previous study about the factors that led to customers' loyalty which is trust, facilities, location, perceived value and customer's satisfaction.

2.2 CUSTOMERS LOYALTY

According to (Srinivasan et al., 2002) many studies have acknowledged the importance of loyalty in the electronic context, analyzing this aspect in detail. Customer loyalty has been defined as a deeply held commitment to rebuy or patronize a preferred product/service consistently in the future, thereby causing repetitive same-brand or same brand-set purchasing, despite situational influences and marketing efforts having the potential to cause switching behavior. Following that, Ribbink et al (2004) stated that this general definition apply to online loyalty as well.

According to Ranaweera et al. (2003) explained that loyalty consists of both behavioral and attitudinal dimensions, more specifically, purchase, and word of mouth (Gremler et al., 2001). Purchase intentions defined as the propensity to purchase a product

or service at some point in the future (Ranaweera et al., 2003). Customer commitment refers to the strength of relational ties, and the desire to maintain a relationship (Bansal et al., 2003). Ranaweera et al. (2003) further suggested that as the alternative means of communication made possible by the presence of Internet, the definition is broadened to include mediums other than oral communication as well as to include multiple recipients of the communication.

Meanwhile, Chaudhuri and Holbrook (2001) suggested that behavioral, or purchase, loyalty consisted of repeated purchases of the brand, whereas attitudinal loyalty included a degree of dispositional commitment, in terms of some unique value associated with the brand. Thus, customer loyalty here was considered dimensional, including both attitudinal commitment and behavioral re-purchase intention.

Based on previous research, Flavian et al. (2006) conceived online loyalty or e-loyalty as a consumer's intention to buy from a website, and that consumers will not change to another website. To Cyr et al. (2007), e-loyalty is similarly defined as perceived loyalty towards an online site, with intent to revisit the site, or to make a purchase from it in the future. Therefore, e-loyalty refers to "perceived loyalty" towards an online service provider, as opposed to actual loyalty behavior, such as repeat visits/purchases.

Loyalty has been considered to be one of the main keys to achieving company success and sustainability over time (Keating et al., 2003). Thus, obtaining higher levels of loyalty is seen as a key objective for management, since this not only helps to improve stability in company turnover (Reid and Reid, 1993), but also to reduce price sensitivity (Lynch and Ariely, 2000), and create contact networks to facilitate awareness and the promotion of the services being offered (Oh, 2000). Thus, retaining customers become a more attractive strategy for business to increase profitability than capturing new customers (Hsu, 2007). Cox and Dale (2002) described that loyalty may be considered to be the

greatest competitive advantage there is, thus providing a long-term perspective in both business parties: the company and its customers.

Addition to that, Kam et al. (2004) suggested that it is necessary not only to win new customers, but to keep them over time and motivate the repeat purchasing or consumption of the company's goods or services. Based on the above literatures, loyalty has been adopted in this study in the forms of behavioral and attitudinal dimensions that consists of purchase intention, commitment and word of mouth.

2.3 CUSTOMER SATISFACTION

Customer satisfaction is the feeling of well-being and pleasure that what customers get from what they hopes for and expects from the appealing service. It's a business philosophy that tends to the creation of value for customers, to anticipate, manage their expectations, and demonstrate ability and responsibility to satisfy the needs of them. And it is just like the outcome of customer's perception of the value that they received in a transaction or relationship, where value equals perceived service quality when compared to the value what customers expected with the competing vendors (Blanchard & Galloway, 1994:3).

Satisfaction is the level of enjoyment or disappointment, originating from expectation of the product. Satisfaction is the consumer's fulfillment response. It is a judgment that a product or service feature, or the product or service itself, provided (or is providing) a pleasurable level of consumption-related fulfillment, including levels of under or over-fulfillment (Oliver, 1997:39).

Customer satisfaction can help to identify the critical factor that affect customers' purchase experience and post-purchase behavior such as subsequent purchase and favorable word of mouth (WOM) publicity (Choi & Chu, 2001:5). A guest, who satisfied to the product or service, promotes positive WOM free and with effect and credibility that are superior to those of conventional advertising (Lee, et al., 2006).

According to Neda Shishavi (2006) talking about customer satisfaction, it means consumer satisfaction. Someone who uses the product or service not someone who pays for product or service but do not use it. Second, satisfaction is a feeling and thought. It is a short-term attitude that might change under certain circumstances or situations. Satisfaction stays in consumer's mind and is different from observable behaviours such as product choice, complaining, and repurchase. Third, satisfaction commonly has positions at both a lower level and an upper level. This means that a consumer's satisfaction may drop if they gets too much of a good thing. Also, their satisfaction level may rise if they get a little of good things.

2.4 TRUST

In past studies, trust has been conceptualized in different ways and researchers have long acknowledged the confusion in the field (e.g. McKnight et al. 2002). Based on previous research, trust has been defined as: (1) a set of specific beliefs dealing primarily with the integrity, benevolence, and ability of another party (Gefen and Silver, 1999); (2) a general belief that another party can be trusted (Gefen, 2000), sometimes also called trusting intentions (McKnight et al., 1998) or "the willingness' of a party to be vulnerable to the actions of another" (Mayer et al., 1995); (3) affect reflected in "feelings" of confidence and security in the caring response of the other party (Rempel et al., 1985).

Some researchers have combined the first two conceptualizations into one construct (Doney and Cannon, 1997). Other researchers have split the first two conceptualizations, declaring the specific beliefs as antecedents to the general belief (Davis, 1999).

Despite different definition of trust exists in the past literatures, according to Gefen et al (2003), the author has adopted the conceptualization of trust as a set of specific beliefs which includes integrity, benevolence, ability and predictability to be applied in ecommerce, specifically online shopping context. The definition is aligned with the past literatures where it has been most widely used in studies related to ongoing economic relationship that dealing buyer-seller and business interactions (Jarvenpaa et al. 2000). Furthermore, the author further commented that trust as a feeling (Rempel et al. 1985) has been previously studied in the context of interpersonal relationships, such as friendship and love and therefore, it is arguably irrelevant to a business transaction.

In consonance with the definition of trust of Lin and Wang (2006) who conducted their study in m-commerce context have adopted the same view by defining trust as trust as a set of specific beliefs dealing primarily with the integrity (trustee honesty and promise keeping), benevolence (trustee caring and motivation to act in the trustee's interest), competence (ability of trustee to do what the trustee needs) and predictability (trustee's behavioral consistency) of a particular m-vendo

As a result, as the current study is focusing on internet banking website context in which is part of the e-commerce that dealing buyer-seller and business transactions, therefore the definition of trust as a specific beliefs is adopted in this stud

2.5 SERVICE QUALITY

Rowley (2006) has defined online services (e-services) as deeds, efforts or performances whose delivery is mediated by information technology. Such online service includes the service element of e-tailing, customer support and service, and service delivery. Besides that, the author also discussed that there are three characteristics of online service, which are technology mediation, information service and self-service. For Rust and Kannan (2002), online service is considered as the provision of service over electronic networks such as the internet and includes the service product, service environment, and service delivery that comprise any business model, whether it belongs to a goods manufacturer or a pure service provider.

According to Luarn and Lin (2003) conceptualize e-services as an interactive content-centered and Internet-based customer service, driven by customers and integrated with related organizational customer support processes and technologies with the goal of strengthening the customer-service provider relationship.

Service quality has become an area to be focusing on with the present of e-services that enable electronic communication, information gathering, transaction processing and data interchange between online vendors and customers across time and space (Featherman and Pavlou, 2002). According to Parasuraman et al. (1988), service quality has been defined as a global judgment, or attitude, relating to the superiority of the service whereby superiority is the gap in which practical service higher than consumer expectation. In online environment, service quality is defined as the extent to which a website facilitates efficient and effective shopping, purchasing and delivery of product and services (Zeithaml et al, 2002). Santos (2003) described e-service quality as an overall customer evaluations and judgments regarding the excellence and the quality of eservice delivery in the virtual marketplace.

From the past research, there is no consensus on the exact nature or number of quality dimensions that customers consider when evaluating online services (Yang et al., 2003). According to Collier and Bienstock (2006), the author stated that previous research on service quality in regards to the internet has primarily focused on system attribute which stresses the interaction of consumer and website.

According to Parasuraman et al. (2005) has carried out a study on internet service quality focusing on online shopping website, which have resulted the development of service quality scale, the e-SQ scale. The e-SQ scale developed by Zeithaml et al. (2001) comprised of 11 dimensions. Those dimensions involved are reliability, responsibility, access, flexibility, ease of navigation, efficiency, assurance, security, price knowledge, site aesthetics, and customization/personalization. Whereas for Parasuraman et al. (2005), the e-SQ scale comprised of 7 dimensions that are efficiency, system availability, fulfillment, privacy, responsiveness, compensation, and contact dimensions. 13 Cox and Dale (2001) explained that traditional dimensions of service quality (e.g. competence, courtesy, clarity, comfort and friendliness) were not relevant to online sales. However, other factors (e.g. accessibility, communication, credibility, understanding, availability and appearance) were very important to being successful in an online environment and these factors are analyzed on the online shopping websites. Besides that, Liu and Arnett (2000) have also highlighted the four factors which were used to analyze the webmasters for Fortune 1000 companies. The four factors include information and service quality, system use, playfulness, and system design quality.

In conclusion, based on the above literatures, service quality has been termed in this study as an overall customer evaluations and judgments regarding the excellence and the quality of services being offered to them in the online environment.

2.6 LOCATION

Place is a set of interdependent organizations that caters to the process of making a product available to consumers (Armstrong & Kotler, 2006: 14). Place was regarded as the location or where a product/service can be found for use of consumption. Moreover, place can also be described as availability of a product/service. This availability means where the product is located in the market or how often the product can be found (Williams, 2010:14).

Hotels usually located in a place with a complete set facilities, such as convenience store. The place with convenience traffic is also very significant, such as 23 located near bus station, railway station and downtown to make the travel of tourists become more convenient. Nowadays, there also have hotels which located near school or universities to provide convenient service to students, their friends or family members, and also provide convenience to teachers.

2.7 PERCEIVED VALUE

According to Kotler (2003) defined customer perceived value as the difference between prospective customers' evaluation of all the benefits and all the costs of an offerings and the perceived alternatives. Total customer value refer to the monetary value including economic, functional and psychological benefits that customers expect to receive from a given market offering. Total customer cost contains monetary, time, energy and psychic costs that customers expect to incur in evaluating, obtaining, using, and disposing of the given market offering.

According to Lu and Yen (2008) has conducted a study on individual's loyalty intention towards online auction whereby perceived net benefits has influenced on buyer's

satisfaction. In this study, perceived net benefits might be thought of as the balance of positive and negative impacts of the online auction on the buyer. Buyer's net benefits assessment refers mainly to cost savings, time savings, reduced search costs, and incremental additional values. Based on Kotler's definition and compare with this study, it has implied that perceived value is also termed as perceived net benefits.

According to Parasuraman and Grewal (2000), there are four distinct types of perceived value in their proposed expanded model of customer loyalty: (1) acquisition value (2) transaction value (3) in-use value (4) redemption value. Perceived value is implied as a dynamic construct and may change its central component over time. For instance, acquisition and transaction value may be dominant during and right after a purchase, while in-use and redemption value may only emerge from later stages of using the product/service. The authors further described that perceived value is a function of a 'get' component (the benefits a buyer derives from a seller's offering) and a 'give' component (the buyer's monetary and non-monetary costs of acquiring the offering). Following this definition, Lin and Wang (2006) have implied that the get components (benefit) of perceived value include intrinsic attributes (ie how to purchase makes one feel), extrinsic attributes (ie reputation of the product/service), perceived quality and other relevant high level abstractions, while the give components (sacrifice) of perceived value include monetary prices and nonmonetary cost (eg time, energy, effort) in their study on the determinants of customer loyalty in mobile commerce contexts.

Hsu (2007) has compared the definition between customer value and perceived value. The author explained that customer value is subjectively perceived by customers rather than objectively determined by organizations and the value perceptions typically reflect a trade-off between what customers receive and what they give up to obtain or use the offerings, while perceived value is the customers' perception of the value pertaining to providers' offerings. Therefore, perceived value is also termed as customer value, consumer

value, service value, experiential value or shopping value in different facets of marketing literature.

In short, definition of perceived value in this study is deemed as the overall assessment by the customers on the perception of the benefits they receive relative to the sacrifice or cost they encounter.

CHAPTER 3

RESEARCH METHOD

3.1 INTRODUCTION

Methodology was an important part of completing a study. This chapter describes about methods and techniques used in the collection of data to do this study. Started with the used of an approach allows the data collection process can be done easily, smoothly and supported with the use of appropriate analytical technique also can produce the expected output.

In additional, the population and sample are also described in this chapter. Early stage was a description of the methodology used to further follow by an explanation as to the method and techniques used, measures work and the need for this research. Several types of instruments are also used to collect data such as questionnaire. Lastly, the method of analyzing data was also included in this chapter. There are several stages involved in the research process and covers all the aspects to be studied, starting with the initial research process.

3.2 RESEARCH METHOD

The main purpose of this study was to identify the dominance behavioral factors that led to customer loyalty of the Indahreka Perabot & Kabinet. This study use primary data. Primary data means data which have not been published and cannot be obtain information everywhere. Only primary data obtained from a new research study such as to obtain information from the original source through experiments, surveys and observations.

The descriptive research was used in this study and designed a questionnaire survey instrument technique to develop for the purpose of collecting the data for the study. There is one technique to carry out a study of quantitative techniques through questionnaire. This study used only two instruments which are surveyed and questionnaire method or data collection. Survey and questionnaire were the method chosen for this study because with these methods, the objectives can be successfully achieved.

To generate data for analysis, the questionnaire should be made. Surveys and questionnaire used in this study to make it easier to perform and get results if it involves a large number of populations. Just take part of the larger population to get results this is also called as a sample. The survey participants were the customer in Indahreka Perabot & Kabinet.

In additional, mostly studies surveys are often used by researchers to collect data in their study. This is due to get accurate data from some people. Structured questionnaire used to identify the factors that led and dominance factor to customer loyalty in Indahreka Perabot & Kabinet. The questionnaire will be randomly distributed to tourism in this study.

3.3 POPULATION AND SAMPLING

In research population was always referred to as the target population. A population is the complete collection of measurements whereas sample is a subset of a population. Indahreka Perabot & Kabinet will be selected to make a survey and to identify the relationship between the factors and customer loyalty. Respondents are involved to conduct this study is the customers.

There are two types of sampling techniques which is a probability or non-probability. For this study, non-probability sample technique was used. The non-probability method was often used during preliminary research efforts to get a rough estimate of the results. This method is without cost or time required to select a random sample.

There are several types of non-probability sampling technique that can be used which are judgment sampling, snowball sampling, convenience sampling and quota sampling. For this study, convenience sampling was used based on the research purpose. Convenience sampling was used because the population consists of the customers in Indahreka Perabot & Kabinet. In additional, the total population for this study is 30 customers and I choose 30 numbers. However, convenience sampling is much easier than the others commonly used and they are also “convenient” sources of data for researchers.

3.4 DATA COLLECTION

The first stage was the basic of the research. At this stage, preliminary research studies done to identify the issues and problems that exist to assist the development of the goals, scope and objectives of the study. At this stage, scientific research conducted to explore the field in the research. Data obtained either through reading, reference material and so on. The framework is also made to help manage the process of preparing a study that research can be carried out smoothly.

The second stage involves the process of data collection. The aim is to understand about the topic being studied. Generally, there are one basic methods of collection used in this study which is the primary data collection.

3.4.1 Quantitative Techniques

Through quantitative techniques, methods or approach used was a questionnaire. This section will present aspects of the description of a survey conducted, which surveyed sample determination and selection of respondents surveyed.

- i) Primary data collection used for this study is a questionnaire.

a) Survey questionnaires

The questionnaire was the one technique that can be used to identify the dominance behavioral factors that led to customers' loyalty in Indahreka Perabot & Kabinet. This technique allows information about respondents' perceptions as well as their opinions and structured descriptive evaluated by researchers.

The survey questionnaires consisted of 19 questions which are divided into two sections and will developed in two languages in English and Malay. The first section aim to collect the customer information background (socio-demographic) and the second section to ask about the dominance behavioral factor that led to customer's loyalty. A detailed description of each section is as follows:

Section A: The first section of the questionnaire was about the background information of respondents or the customers in Indahreka Perabot & kabinet. Question in this section included gender, marital status, and other.

Section B: The second section of the questionnaire will ask about reliability test and descriptive analysis among the variable was which the question will assess the dominance behavioral factors to customer's loyalty in Indahreka Perabot & Kabinet.

The survey questionnaire consisted of open-ended and closed-ended questions. The open-ended questions, customer required to fill in relevant information or express their personal perception. The most of the questions are closed-ended questions which is scale questions and demographic questions. A closed-ended question was to facilitate the respondent to answer questions with answers provided.

The survey to be carried out only focuses on several factors that need to be assessed by the respondent against in furniture store. It includes the dominance behavioral factors that led to customer loyalty at service provider by the furniture store. Then, a questionnaire will be handed over to the respondents using the convenience sampling in which researchers distributed questionnaires only to a few respondents that comes and using the services furniture store..

3.5 DATA ANALYSIS

In interpreting the primary data, this study used Statistical Programmers for Social Science (SPSS) version 22.0. The use of computer software helped the researchers in reducing time taken to calculate data and facilitate quantitative analysis faster and easier. The detail methods of data interpretation are as follow. Besides, the type of analysis be used in this research is Pearson's correlation coefficient to determine the dominance behavioral factors that led to customers loyalty in the furniture store.

3.5.1 Reliability

Reliability analysis will also be used to calculate the Cronbach's Alpha. The reliability tests are used in this study to determine the reliability value for the independent and dependent variable either that value is reliable or not. The reliability reflects the respondent to the statement of questionnaire based on the average correlation among the questionnaire statement. Reliability coefficients were calculated by using Cronbach's alpha test. Cronbach's alpha measures the average of measurable items and their correlations. In statistic Cronbach's alpha is a coefficient of internal consistency commonly used to estimate of the reliability of a psychometric test for a sample of examine. The value for reliability test for independent and dependent variable must $0.5 \geq$.

3.5.2 Descriptive analysis

The descriptive statistic also data analysis used in this study. The descriptive statistic was used because to get the value of median, mean, and mode. The frequency value also must get when do this research it was because to get the sum of the answer in questionnaire by the respondents. Most of the descriptive statistic used in in this study because to analyze the questionnaire. To find out the validity and reliability of the questionnaire made, pilot study should be done before giving to the participants to answer the questionnaire.

3.5.3 Correlation test

Correlation test is also necessary in this study because in order to get and find the relationship between the independent variables and the dependent variable. In additional, Easton et al (2007) said that a correlation coefficient is a number between -1 and 1 that measures the extent to which two variables are linearly related.

The results are between -1 to 1. If the result is -1, it's means that there is a perfect negative correlation (negative slope) between the two values at all. Then, if result is 1, it's means that there is a perfect positive correlation (positive slope) between two variables. Nevertheless, the correlation coefficient of 0 means there is no linear relationship between the variables.

3.6 SUMMARY OF CHAPTER

Methodology is an important chapter to conduct a study. Flow to make a study is necessary in order to fully detail. This chapter describes some of the things that will be done to carry out this study. This chapter also explains how to calculate the data analysis in more details and measurement used a reliable type of analysis to the research. Among the area covered in this chapter are the research method, population and sampling, data collection and data collection analysis technique. Furthermore, there are several processes that have been done to carry out this study. The chart showed the flow summaries

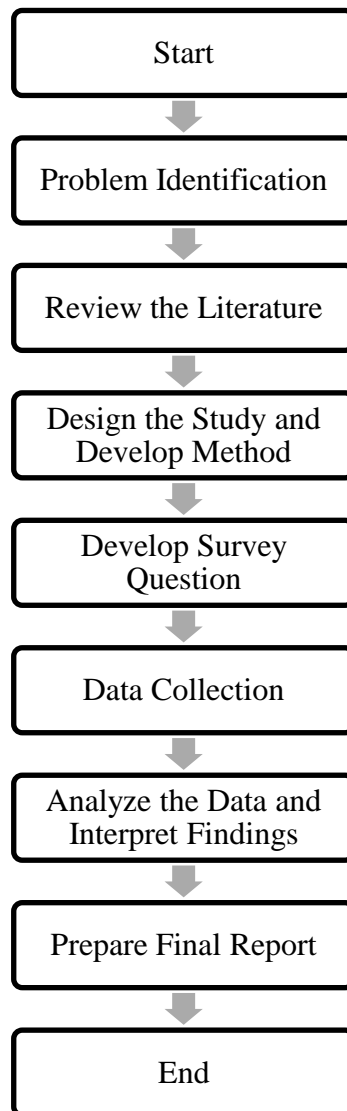


Figure 3.6.1: Process flow to do this research

CHAPTER 4

DATA ANALYSIS

4.1 INTRODUCTION

In this chapter the results of the data analysis are presented. It was describe the result gathered from the analysis of the research. The purpose of this chapter is to answer the research objectives of the study. The data was analysis by SPSS Version 19.0 (Statistical Package for Social Science) and the last result of statistical analysis was presented in this chapter.

Besides that, this research is designed to answer the two sections research questions by performing descriptive analysis to measure the background information of the respondents followed by the reliability of the variables in this research. The mean is used to analyze the degree of effectiveness of the strategy used in managing resistance during project implementation. Not only that, the mean also used to rank these strategies in order to generate the most effective strategy.

4.2 QUESTIONNAIRE DISTRIBUTION

The close ended questionnaires were distributed to the targeted respondents in order to collect data for analysis. The targeted respondents of this study are consumer of furniture store in Indahreka Perabot & Kabinet, Kuantan. The questionnaire consists of two sections which are Section A and Section B. Section A is conducted to collect general information of respondents. Meanwhile, Section B is designed to determine the dominance behavioral factors to customer's loyalty in Indahreka Perabot & Kabinet.

As started in chapter 3, the population of this research is 30 respondents and all of them has answers with a good collaboration. 19 questionnaires were distributed and all of them were fully completed has answers by respondents.. By analysis the data was able to perceive the level of agreement for each item on a range of 1 (strongly dissatisfied) to 5 (strongly satisfied).

4.3 RESPONDENTS PROFILE

In the respondent profile, the data were obtained from Section One that include questions among various demographic variables of the respondents. This section consists of five questions to determine the profile of the respondents such as gender, status, first time visit, number of visit, and services that used. However, the demographic questions are not significant to the research questions, but it is important to know the background of the respondents. In order to identify the respondent background, demographic analysis was carried out through descriptive statistics.

Table 4.3.1: Respondents Profile

Variables	Frequent	Percentages (%)
Gender		
Female	18	54.5
Male	15	45.5
Marital Status		
Single	7	21.2
Married	26	78.8
First Time Visit		
Yes	16	48.5
No	17	51.5
Number of Visit		
Limited (1-2)	24	72.7
Moderate (3-4)	6	18.2
Frequent (over 5)	3	9.1
Services that Used		
Cabinet	16	48.5
Wardrobe	8	24.2
Renovation	3	9.1
Others	6	18.2

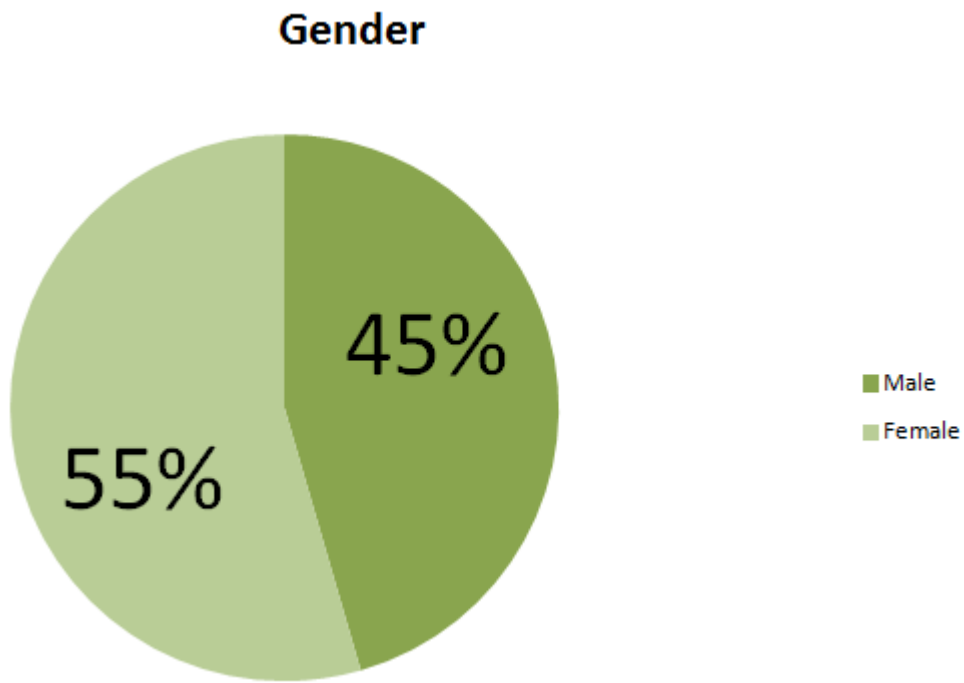


Figure 4.3.1: Gender

Figure 4.3.1 show the percentages by gender of respondents, 33 respondents 15 respondents were male and 18 were female respondents who involved in this survey. Their percentages were 45.5% and 54.5% respectively of the total respondents.

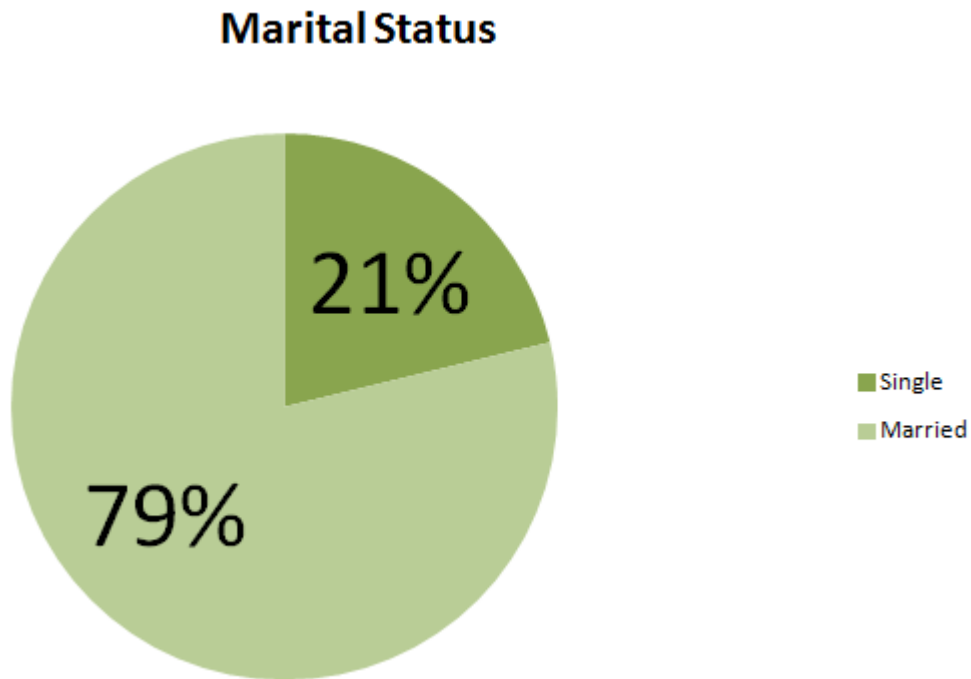


Figure 4.3.2: Marital Status

Figure 4.3.2 show the percentages of the respondents by marital status. Majority of the total respondents were married by 78.8% which were 26 respondents. It was followed by single 21.2%, which were 7 respondents.

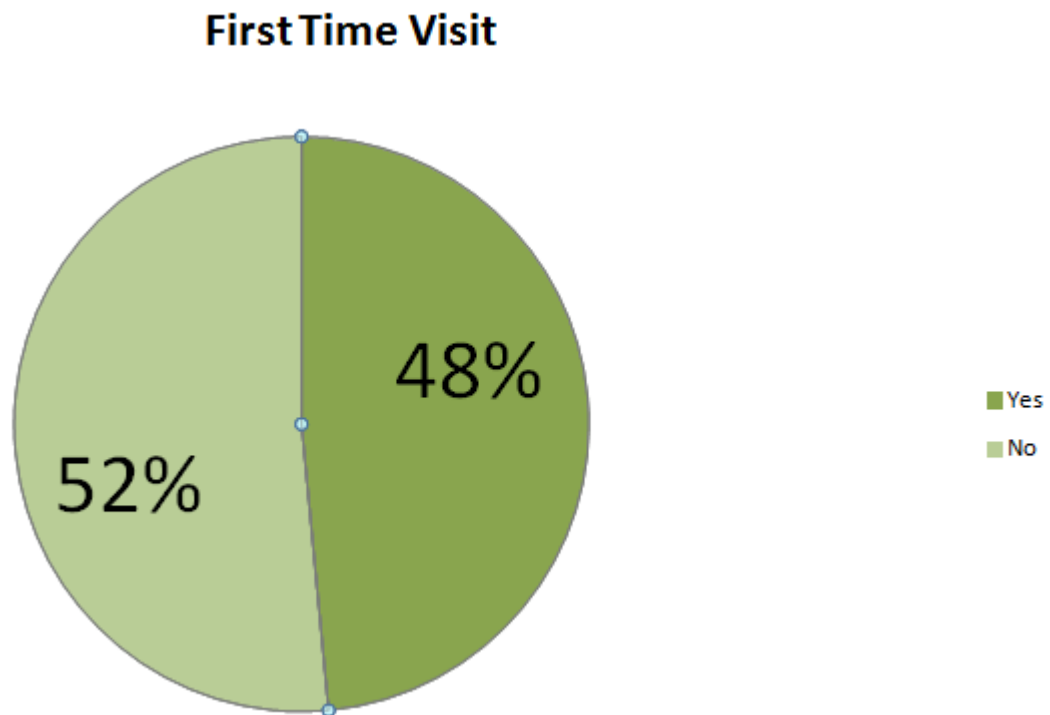


Figure 4.3.3: First Time Visit

Figure 4.3.3 show the percentages of the respondents by First time visit. The respondent that first time visit is 17 respondents and not the first time visit is 16 respondents who involved in this survey. Their percentages were 48.5% and 51.5% respectively of the total respondents.

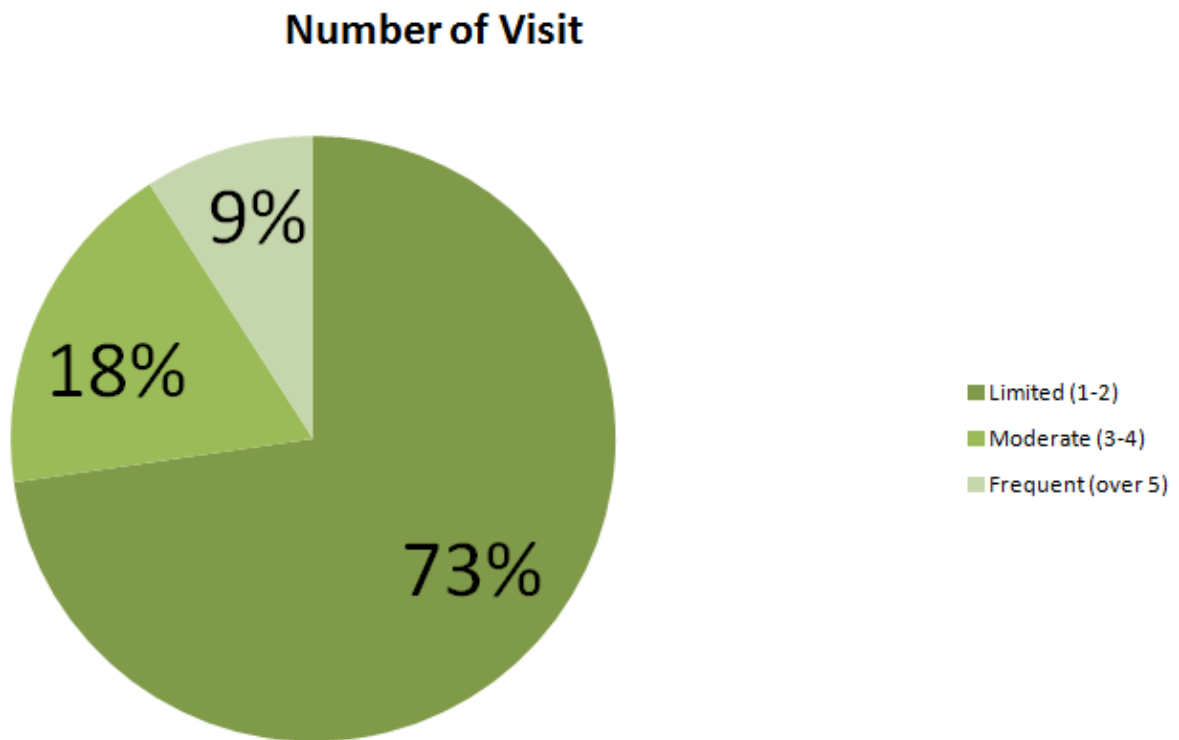


Figure 4.3.4: Number of Visit

Figure 4.3.4 show the percentages by number of visit of respondents which were categorized into three different number of visit. The numbers of respondents were 24 respondents as percentages stated 72.7% from first category (Limited 1-2) and second category (Moderate 3-4) which represented 6 respondents with 18.2%. Last category (Frequent over 5) which represented 3 respondents with 9.1%

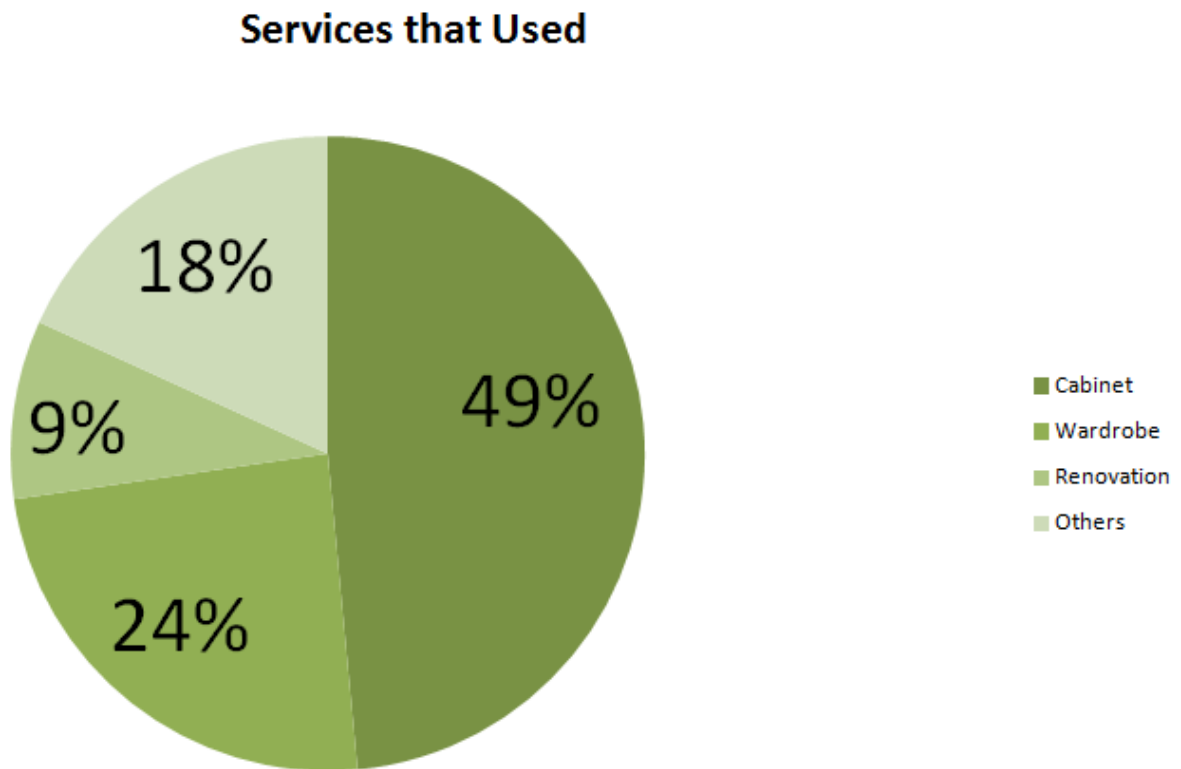


Figure 4.3.5: Services that Used

Figure 4.3.5 show the percentages of respondents by services that used. The cabinet represented 48.5 %, which were 16 respondents of the total respondents. It was followed by wardrobe represented 24.2%, which were 8 respondents. Then renovation represented 9.1%, which were 3 respondents and others services represented 18.2 %, which were 6 respondents.

4.4 RELIABILITY ANALYSIS

Reliability analysis is the first important step in analyzing the data that mostly done by any researchers. The main objective of reliability test is to identify the stability of the data that was gathered. Moreover, the reliability testing was done with the purpose of checking whether the data obtained from the survey is reliable or not for the research.

Table 4.4.1: Rules of Thumb about Cronbach's Alpha Coefficient size.

Alpha Coefficient Range	Strength of Association
< 0.6	Poor
0.6 to < 0.7	Moderate
0.7 to < 0.8	Good
0.8 to < 0.9	Very good
> 0.9	Excellent

Table 4.4.1 illustrates the Rule of Thumb about Cronbach's Alpha Coefficient size. The column at the right side indicates the strength of association of the reliability analysis based on the left side of the table.

The Cronbach's Alpha values of the variables in this research are shown in table below. The analysis in this research stated that the Cronbach's Alpha values are between 1.000 and 0.727 and all the six factors group were under acceptance level.

Table 4.4.2: Reliability Test of Dependent Variables and Independent Variables

Cronbach's Alpha	N of Item
0.830	14

By referring to the study, the Cronbach's Alpha for the analysis was 0.830 which is at the range of excellent based on the table above. So, the overall variables with 14 items could be accepted for this study.

Table 4.4.3: Result of Reliability Cronbach's Alpha for the Dependent Variable

No	Variable	Cronbach's Alpha	Number of Item (N)	Item Deleted	Cronbach's Alpha if Item Deleted
1	Customer Loyalty	1.000	3	-	-

In measuring the customer loyalty variable that makes customer become loyalty in this furniture store, three (3) questions are used. There were all using the Likert-Scale form of question. Cronbach's Alpha result from guest satisfaction variable is 1.000 which is excellent.

Table 4.4.4: result of Reliability Cronbach's Alpha for the Independent Variables

No.	Variables	Cronbach's Alpha	Number of Item (N)	Item Deleted	Cronbach's Alpha if Item Deleted
1	Guest Satisfaction	0.741	3	-	-
2	Trust	0.727	2	-	-
3	Location	0.835	2	-	-

4	Perceived Value	0.851	2	-	-
5	Service Quality	1.000	2	-	-

According to Sekaran (2003), the acceptable range for Cronbach's Alpha is above than 0.8 and if it less than 0.6 it considered to be poor. From the table above, the variables used in this research are acceptable as the Cronbach's Alpha because the value declared more than 0.7. In this research, there is no item deleted because it already in a range of acceptable value of Cronbach's Alpha.

In measuring the guest satisfaction variable that makes customer become loyalty in this furniture store, three (3) questions are used. There were all using the Likert-Scale form of question. Cronbach's Alpha result from guest satisfaction variable is 0.741 which is good.

In measuring the trust variable that makes customer become loyalty in this furniture store, two (2) questions are used. There were all using the Likert-Scale form of question. Cronbach's Alpha result from trust variable is 0.727 which is good.

In measuring the location variable that makes customer become loyalty in this furniture store, two (2) questions are used. There were all using the Likert-Scale form of question. Cronbach's Alpha result from location variable is 0.835 which is very good.

In measuring the perceived value variable that makes customer become loyalty in this furniture store, two (2) questions are used. There were all using the Likert-Scale

form of question. Cronbach's Alpha result from perceived value variable is 0.851 which is very good.

In measuring the service quality variable that makes customer become loyalty in this furniture store, two (2) questions are used. There were all using the Likert-Scale form of question. Cronbach's Alpha result from service quality variable is 1.000 which is excellent.

4.5 DESCRIPTIVE ANALYSIS

For the descriptive analysis, the researcher has come out with this analysis to find the mean for every section is independent variables and dependent variable factors of customer loyalty.

.Table 4.5.1: Descriptive Analysis for the Customers Satisfaction Factor

Descriptive Statistics

	N	Minimum	Maximum	Mean	Std. Deviation
B1	33	1.00	5.00	3.1515	1.32574
B2	33	1.00	5.00	3.1515	1.25303
B3	33	1.00	5.00	3.1212	1.31714
Valid N (listwise)	33				

Table 4.5.1 shows the guest satisfaction factor and this part have three questions. The minimum value for the first question is 1.00, maximum values 5.00 and mean values 3.1515, while the value of standard deviation is 1.3257. The minimum value and the maximum value in this part is all same. The mean value for the second question is

3.1515 and the standard deviation is 1.2530. The mean value for the last question is 3.1212 and the standard deviation is 1.3171. The mean value provides the idea about the central tendency of the values of variable. The number of observation of this variable is 33.

Table 4.5.2: Descriptive Analysis for the Trust Factor

Descriptive Statistics

	N	Minimum	Maximum	Mean	Std. Deviation
C1	33	1.00	5.00	3.0909	1.15552
C2	33	1.00	5.00	3.2121	1.34065
Valid (listwise)	N 33				

Table 4.5.2 shows the trust factor of customer to furniture store and this part has two questions. The minimum value and the maximum values for this part is 1.00, maximum values 5.00. The mean values for the first questions is 3.1212, while the value of standard deviation is 1.1661. The mean value for the second question is 3.2424 and the standard deviation is 1.3469. The mean value provides the idea about the central tendency of the values of variable. The number of observation of this variable is 33.

Table 4.5.3: Descriptive Analysis for the Location Factor

Descriptive Statistics

	N	Minimum	Maximum	Mean	Std. Deviation
D1	33	1.00	5.00	2.6970	1.51007
D2	33	1.00	5.00	2.6970	1.53062
Valid (listwise)	N 33				

Table 4.5.3 shows the location factor of furniture store and this part have two questions. The minimum value for this part is 1.00 and maximum values 5.00. The mean values for the first question is 2.6970 and the standard deviation is 1.5100. The mean for the second question is 2.6970 and the standard deviation is 1.5306. The mean value provides the idea about the central tendency of the values of variable. The number of observation of this variable is 33.

Table 4.5.4: Descriptive Analysis for the Perceived Value

Descriptive Statistics

	N	Minimum	Maximum	Mean	Std. Deviation
E1	33	1.00	5.00	2.8485	1.30195
E2	33	1.00	5.00	3.0303	1.42489
Valid (listwise)	N 33				

Table 4.5.4 shows the perceived value from customer to furniture store and this part have two questions. The minimum value for this part is 1.00 and maximum values 5.00. The mean values for the first question is 2.8485 and the standard deviation is 1.3019. The mean for the second question is 3.0303 and the standard deviation is 1.4248. The mean value provides the idea about the central tendency of the values of variable. The number of observation of this variable is 33.

Table 4.5.5: Descriptive Analysis for the Service Quality Factor

Descriptive Statistics

	N	Minimum	Maximum	Mean	Std. Deviation
F1	33	1.00	5.00	3.1818	1.48859
F2	33	1.00	5.00	3.1818	1.48859
Valid N (listwise)	33				

Table 4.5.5 shows the services quality factor from furniture store and this part have two questions. The minimum value for this part is 1.00 and maximum values 5.00. The mean values for the first question is 3.1818 and the standard deviation is 1.4885. The mean for the second question is 3.1818 and the standard deviation is 1.4885. The mean value provides the idea about the central tendency of the values of variable. The number of observation of this variable is 33.

Table 4.5.6: Descriptive Analysis for the Customer Loyalty

Descriptive Statistics					
	N	Minimum	Maximum	Mean	Std. Deviation
G1	33	1.00	5.00	3.0909	1.42223
G2	33	1.00	5.00	3.0909	1.42223
G3	33	1.00	5.00	3.1212	1.45253
Valid N (listwise)	33				

Table 4.5.6 shows the guest loyalty and this part have three questions. The minimum value for the first question is 1.00, maximum values 5.00 and mean values 3.0909, while the value of standard deviation is 1.4222. The minimum value and the maximum value in this part are same. The mean value for the second question is 3.0909 and the standard deviation is 1.4222. The mean value for the last question is 3.0909 and the standard deviation is 1.4222. The mean value provides the idea about the central tendency of the values of variable. The number of observation of this variable is 33.

4.6 CORRELATION COEFICIENT

The Pearson correlation test is one of important test that measure the linear relationship between two variables. The objective of this test is to determine whether the correlation coefficient is statically significant and to identify which hypothesis should accept and reject. If the relationship is significant, the researcher must decide what strength of association is acceptable.

Table 4.6.1: Rules of Thumb about Correlation Coefficient size.

Coefficient Range (r)	Strength of Association
0.91 to 1.0 / -0.91 to -1.0	Very Strong
0.71 to 0.90 / -0.70 to -0.90	High
0.41 to 0.70 / -0.41 to -0.70	Moderate
0.21 to 0.40 / -0.21 to -0.40	Small but definite relationship
0.01 to 0.20 / -0.01 to -0.20	Slight, almost negligible

Table 4.6.1 shows Rules of Thumb about Correlation Coefficient size in characterize the strength of the association between variables, based on the absolute size of the correlation coefficient. The correlation coefficient or refer as r , ranges from 1.0 to -0.01. if the value of r is 1.0, there is a perfect positive relationship and if the value of r is -0.01, there is a perfect negative relationship. Then, if the value of r is 0, it is indicated as no relationship between the variables.

H_0 : No significant relationship between the behavioral factors and customer loyalty.

H_1 : There is significant relationship between the behavioral factors and customer loyalty.

Table 4.6.2: Correlations for the Behavioral Factors and Customer Loyalty.

		DV	IV
DV	Pearson Correlation	1	.800**
	Sig. (2-tailed)		.000
	N	33	33
IV	Pearson Correlation	.800**	1
	Sig. (2-tailed)	.000	
	N	33	33

** . Correlation is significant at the 0.01 level (2-tailed).

Table 4.6.2 shows Pearson correlation coefficients, significance value and the number of cases which is 33. The correlation coefficient for the behavioral factors and customer loyalty is 0.800. Since 0.800 is relatively close to 0.71 to 0.90, this indicates that both variables are high.. Meanwhile, the significant levels of both variables are 0.00 that show highly significant. Therefore the customer will be loyalty depends on several behavioral factors. So, researcher accepted the first hypothesis and reject alternative hypothesis.

H₀: No significant relationship between customer satisfaction and customer loyalty.

H₁: There is significant relationship between customer satisfaction and customer loyalty

Table 4.6.3: Correlation for Customer Satisfaction and Customer Loyalty

		DV	IV1
DV	Pearson Correlation	1	.724**
	Sig. (2-tailed)		.000
	N	33	33
IV1	Pearson Correlation	.724**	1
	Sig. (2-tailed)	.000	
	N	33	33

** . Correlation is significant at the 0.01 level (2-tailed).

Table 4.6.3 shows Pearson correlation coefficients, significance value and the number of cases which is 33. The correlation coefficient for customer satisfaction and customer loyalty is 0.724. Since 0.724 is relatively close to 0.71 to 0.90, this indicates that both variables are high.. Meanwhile, the significant levels of both variables are 0.00 that show highly significant. Therefore the customer will be loyalty depends on their satisfaction from the services provider by the furniture store.. So, researcher accepted the first hypothesis and reject alternative hypothesis.

H₀: No significant relationship between trust and customer loyalty.

H₁: There is significant relationship between trust and customer loyalty

Table 4.6.4: Correlation for Trust and Customer Loyalty

		DV	IV2
DV	Pearson Correlation	1	.718**
	Sig. (2-tailed)		.000
	N	33	33
IV2	Pearson Correlation	.718**	1
	Sig. (2-tailed)	.000	
	N	33	33

** . Correlation is significant at the 0.01 level (2-tailed).

Table 4.6.4 shows Pearson correlation coefficients, significance value and the number of cases which is 33. The correlation coefficient for trust and customer loyalty is 0.718. Since 0.718 is relatively close to 0.71 to 0.90, this indicates that both variables are high.. Meanwhile, the significant levels of both variables are 0.00 that show highly significant. Therefore the customer will be loyalty depends on the trusted from customers to the services provider by the furniture store. So, researcher accepted the first hypothesis and reject alternative hypothesis.

H₀: No significant relationship between location and customer loyalty.

H₁: There is significant relationship between location and customer loyalty

Table 4.6.5: Correlation for Location and Customer Loyalty

		DV	IV3
DV	Pearson Correlation	1	.633**
	Sig. (2-tailed)		.000
	N	33	33
IV3	Pearson Correlation	.633**	1
	Sig. (2-tailed)	.000	
	N	33	33

** Correlation is significant at the 0.01 level (2-tailed).

Table 4.6.5 shows Pearson correlation coefficients, significance value and the number of cases which is 33. The correlation coefficient for location and customer loyalty is 0.633. Since 0.633 is relatively close to 0.41 to 0.70, this indicates that both variables are moderate. Meanwhile, the significant levels of both variables are 0.00 that show highly significant. Therefore the customer will be loyalty depends on the location of the furniture store because this location can make customers easy to find the furniture store place. So, researcher accepted the first hypothesis and reject alternative hypothesis.

H₀: No significant relationship between perceived value and customer loyalty.

H₁: There is significant relationship between perceived value and customer loyalty

Table 4.6.6: Correlation for Perceived Value and Customer Loyalty

		DV	IV4
DV	Pearson Correlation	1	.597**
	Sig. (2-tailed)		.000
	N	33	33
IV4	Pearson Correlation	.597**	1
	Sig. (2-tailed)	.000	
	N	33	33

** Correlation is significant at the 0.01 level (2-tailed).

Table 4.6.6 shows Pearson correlation coefficients, significance value and the number of cases which is 33. The correlation coefficient for perceived value and customer loyalty is 0.597. Since 0.597 is relatively close to 0.41 to 0.70, this indicates that both variables are moderate. Meanwhile, the significant levels of both variables are 0.00 that show highly significant. Therefore the customer will be loyalty depends on the perceived value from the customer to this furniture store. So, researcher accepted the first hypothesis and reject alternative hypothesis.

H₀: No significant relationship between service quality and customer loyalty.

H₁: There is significant relationship between service quality and customer loyalty

Table 4.6.7: Correlation for Service Quality and Customer Loyalty

		DV	IV5
DV	Pearson Correlation	1	.911**
	Sig. (2-tailed)		.000
	N	33	33
IV5	Pearson Correlation	.911**	1
	Sig. (2-tailed)	.000	
	N	33	33

** Correlation is significant at the 0.01 level (2-tailed).

Table 4.6.7 shows Pearson correlation coefficients, significance value and the number of cases which is 33. The correlation coefficient for perceived value and customer loyalty is 0.911. Since 0.911 is relatively close to 0.91 to 1.00, this indicates that both variables are very strong. Meanwhile, the significant levels of both variables are 0.00 that show highly significant. Therefore the customer will be loyalty depends on the service quality that provider by this furniture store to their customers. So, researcher accepted the first hypothesis and reject alternative hypothesis.

4.7 FREQUENCY

The result for objective one (1) can be detected from the mean and average value to identify the dominance factors that led to customers loyalty.

Table 4.7.1: Mean and Average for Customer Satisfaction

IV1	Mean
B1	3.1515
B2	3.1515
B3	3.1212
Average	3.1414

Table 4.7.1 shows the mean and average for the customer satisfaction factor or independent one (1). The mean for B1 and B2 is 3.1515 and the mean for B3 are 3.1212, while the average for this factor is 3.1414. The mean are calculated for all question in this part and from the mean, the average can get from it to know about the value for all question to customer satisfaction from this furniture store.

Table 4.7.2: Mean and Average for Trust

IV2	Mean
C1	3.0909
C2	3.2121
Average	3.1515

Table 4.7.2 shows the mean and average for the trust factor or independent two (2). The mean for C1 is 3.0909 and C2 is 3.2121, while the average for this factor is 3.1515. The mean are calculated for all question in this factor and from the mean, the average can get from it to know about the value for all question to customer trust from this furniture store.

Table 4.7.3: Mean and Average for Location

IV3	Mean
D1	2.6970
D2	2.6970
Average	2.6970

Table 4.7.3 shows the mean and average for the location factor or independent three (3). The mean for D1 and D2 is 2.6970, while the average for this factor is 2.6970. The mean are calculated for all question in this factor and from the mean, the average can get from it to know about the value for all question to location this furniture store.

Table 4.7.4: Mean and Average for Perceived Value

IV4	Mean
E1	2.8485
E2	3.0303
Average	2.9394

Table 4.7.4 shows the mean and average for the perceived value factor or independent four (4). The mean for E1 is 2.8485 and E2 is 3.0303, while the average for this factor is 2.9394. The mean are calculated for all question in this factor and from the mean, the average can get from it to know about the value for all question to perceived value this furniture store

Table 4.7.5: Mean and Average for Service Quality

IV5	Mean
F1	3.1818
F2	3.1818
Average	3.1818

Table 4.7.5 shows the mean and average for the service quality factor or independent five (5). The mean for F1 and F2 is 3.1818, while the average for this factor is 3.1818. The mean are calculated for all question in this factor and from the mean, the average can get from it to know about the value for all question to services quality this furniture store

Table 4.7.6: Average for Independent Variables Factors

Variables	Average
IV1	3.1414
IV2	3.1515
IV3	2.6970
IV4	2.9394
IV5	3.1818

The Factors that led to Customer Loyalty

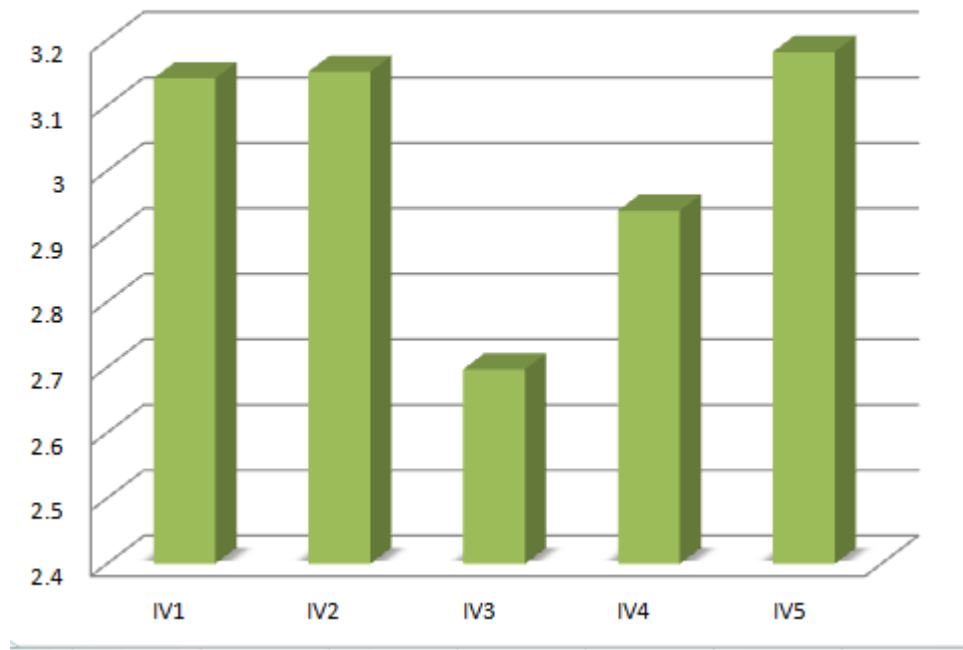


Figure 4.7.1: The Dominance Factors that led to Customer Loyalty

Table 4.7.6 and figure 4.7.1 show the factors that led to customer loyalty at service provider in Indahreka Perabot & Kabinet. The table 4.7.6 and figure 4.7.1 shows the dominance factors that led to customer loyalty is service quality that provider by this furniture store with average value 3.1818. This is because the service quality is the very important factors to get a customer loyalty for any company.

CHAPTER 5

RECOMMENDATION AND CONCLUSION

5.1 INTRODUCTION

This chapter presents the limitation, recommendation and conclusion of this study. The summary of the research will conclude in this chapter. The purpose of this research is to determine the dominance factor that led customer loyalty in furniture store. This chapter will start with discussion of limitation that research facing followed by recommendation that will be recommended for the further study and lastly is conclusion.

5.2 LIMITATION

Generally every researcher will face limitation and challenges during doing their research. That's standard limitation also happen in this study. The first limitation occur in this study is inapproachability, inaccessibility and unavailability of sufficient resources to the research. Actually a lot of journals, articles and news that are related with the customer loyalty but not every resource can be used. This is due to restriction of those resources because some resources require us to pay in order to obtain information of the research from those websites. Besides that, many resources is related with the title of this research but not every statement and information can be used to support and useful for this research to be conducted. So, it is quite hard to find resources in information that can be used for this study.

The other limitation is the responds of the respondents which is the customer of Indahreka Perabot & Kabinet. That comes and using the services that provider from this furniture store. Not every customer willing to cooperate in filling up the questionnaire or responding to the questionnaire that are being distributed to them. Generally customer are not willing to responding to the questionnaire providing reasons such as busy and do not have enough time to participate in this research. The last and big of limitation in this study are limitation of time and financial occur during this research are being conducted

5.3 FUTURE STUDY

Based on observation, problem that occur in this study and based on the limitation, there are a few recommendation will be recommended for the future study. One of the recommendations is this study should include more respondents in order to gain a more accurate results and findings. These recommendations are expected to improve the project success and risk mitigation for the construction company. Firstly, to get a more accurate results and findings, the respondents that involve in research should be more depends on the population. In this research there are some slack in the amount of the respondent which increase the possibility of the uncertainty in the findings. Therefore, the prevention of the slack should be done as this may influencing the results of the findings.

Next researcher concerned about the challengers and difficulties that future researcher will face while getting information from tartgeted respondents. Only some samples of the population will be able to collect due to the cost and time constraint and the sample size is of the respondents is not dully fulfilled. The researcher recommended that future researchers should have a good time management and using the time wisely especially if the future researcher is student. The findings and results will be better,

accurate and lack of errors if the respondents of this study is greater although it is time and cost consuming process in order to obtaining larger number of respondents to participate in this research. Therefore it is recommended that the future researcher should use more than an alternative in distributing questionnaire and not relying in one method as well.

5.4 RECOMMENDATION

Based on this research, there are a few recommendations will be recommended for this furniture company. This company needs to do a promotion to get more customers. This is because this company not at all promotes their services and their company at any media like radio, television or internet. This company has a Facebook and website but this company not always updates their status or their services at this two media. So, when any customer needs to know about this company, the customers cannot get much information from this two media. This company can make promotion through make a booth in any market to make sure customer will know about this company. This company also can join any program to do the promotion about their services and product. This way can attract more customer and will make this company more popular between before that. So, this company need to do promotion with aggressively to get more customers.

The other recommendation to this company is improve their signboard and location. In front of this company is restaurant. So, if customers need to directly go to this company, customers not easier to find because the location is not strategic. Services that this furniture company provide is a very good because this customer has a good discussion and dealing with customers but this company location is not strategic. While, the signboard that company choose is too small. If customers not see with properly, customers cannot find this signboard because in front this company is restaurant. So, customers will focus on restaurant more than at this company. So, this company need to improve their location to make sure this company will attract more customers to come and use their services. This

company also need to make their signboard more clearly to make sure customer easier to find this company.

5.5 CONCLUSION

The purpose of this research is to achieve the research objective and answer the research question related to the research where the respondents are from the customer of Indahreka Perabot & Kabinet at Kuantan. The research objectives for this study as stated in chapter one are to identify the dominance behavioral factor that led of the customer loyalty and the second objective is to identify the relationship between the behavioral factor and customer loyalty.

To analyze the data that been collected from the respondents, Statistical Packages for Social Sciences (SPSS) software is being used. The analysis process involved are demographic profile, reliability analysis, descriptive statistics, correlation coefficient and frequency. Based on the result, it's can be conclude that the dominance behavioral factors that led of the customer loyalty is depends on services quality from this furniture store. Based on the demographic information, the majority of respondent are come from a group people that married and female. So, it's can be conclude that respondent are come and using the services that provider by this furniture store is married people because their want to decorate their house. According to this information, that why the services quality are the most factor of customer become loyalty at services provider by this furniture store.

Besides that, the most services that customer using from this furniture store is to make cabinet for their house. The researcher believed the demographic profile of respondent is play a role on what customer consider when using the services that provider by this furniture store. The most respondent come from many time to using the services

from this furniture store to decorate and to renovation their house. The people that have a good knowledge of course will compare the services that provide by this furniture store with the others furniture store. In order to get a good services, they also seek for a good communication when discuss with customer.

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APPENDIX

GANTT CHART

A: Gantt Chart Final Year Project 1

Activity	Month		Mac	Mac	Mac	April	April	April	April
	Week	Sem 5	2	3	4	1	2	3	4
Identify research title & research objective									
Deciding topic & objective research									
Title approve									
CHAPTER 1: INTRODUCTION									
Changing of topic selection									
Identify research problem & objective									
Problem statement									
Scope and limitation research									
Submitting draft 1									
Correction									
CHAPTER 2 : LITERATURE REVIEW									
Changing new title									
Research concept									
Type of layout									
Problem layout identification									
Previous research comparing									

SURVEY FORM

To Identifying to the dominance behavior factors that led to customer loyalty in furniture store. / Untuk mengenalpasti faktor-faktor utama yang mendominasi tingkah laku yang membawa kepada kesetiaan pelanggan di kedai perabot.

This survey form is for customers that come and using the services furniture store. The purpose of this study was to identify the dominance behavior factor that led to customer loyalty in furniture store. / Borang kaji selidik ini adalah untuk pelanggan yang datang dan menggunakan perkhidmatan kedai perabot. Tujuan kaji selidik ini dijalankan adalah untuk mengenalpasti faktor-faktor utama yang mendominasi tingkah laku yang membawa kepada kesetiaan pelanggan di kedai perabot.

Please click (/) is only one answer from each question are provided. / Sila tandakan (/) hanya satu jawapan daripada setiap soalan yang telah disediakan.

SECTION A: Demographics / BAHAGIAN A: Demografi

1) Gender/Jantina:

Female Male

2) Marital status/Taraf perkahwinan

Single/Bujang Married/Berkahwin

3) First time visit/Pertama kali datang:

Yes No

4) Number of visits/Bilangan datang:

- Limited/Terhad (1-2)
 Moderate/Sederhana (3-5)
 Frequent/Kerap (over 5/5 ke atas_

5) Services that used/Perkhidmatan yang digunakan :

- Cabinet/kabinet Wardrobe/Almari
 Renovation/Ubahsuai Other/Lain2

SECTION B: Loyalty Factors/ BAHAGIAN B: Faktor Kesetiaan.

Please click (/) is only one answer from each question are provided. / Sila tandakan (/) hanya satu jawapan daripada setiap soalan yang telah disediakan.

1	2	3	4	5
STRONG DISSATISFIED/ SANGAT TIDAK MEMUAKAN	DISSATISFIED/ TIDAK MEMUASKAN	NEUTRAL/ TIDAK PASTI	SATISFIED/ MEMUASKAN	STRONGLY SATISFIED/ SANGAT MEMUASKAN

Bil.	Subject/Perkara	Scale Levels of Satisfaction/Skala Tahap Kepuasan				
		1	2	3	4	5
B	Guest Satisfaction/Kepuasan Tetamu					
1	Overall, how satisfied are you with the furniture store? /					

	Keseluruhan, adakah anda berpuas hati dengan kedai perabot ini?					
2	The service renderings of the furniture store met my highest expectations./Perkhidmatan kedai perabot ini menepati pentafsiran yang saya jangkakan.					
3	The service I received as a guest met every aspect of my personal expectations./Perkhidmatan yang saya terima sebagai tetamu sangat menepati jangkakan saya.					
C	Trust/Kepercayaan					
4	I trust the furniture store and its staff./Saya percaya terhadap kedai perabot ini dan kakitangannya.					
5	The furniture store was interested in more than to make customer satisfaction with their services. /Kedai perabot ini berminat untuk lebih membuat pelanggan berpuas hati dengan perkhidmatan mereka.					
D	Location/Lokasi					
6	The furniture store location./Lokasi kedai perabot.					
7	This furniture store easy to find./Kedai perabot ini mudah dicari.					
E	Perceived Value/Penilaian					
8	The services rendered by employees in the furniture store is very good./Layanan yang diberikan oleh pekerja di kedai perabot ini sangat baik..					
9	The furniture store provides customers with a good deal./Kedai					

	perabot ini menyediakan rundingan yang baik dengan pelanggan.					
F	Service Quality/Kualiti Perkhidmatan					
10	The services offered by this furniture store better than the price given./Perkhidmatan yang ditawarkan oleh kedai perabot ini lebih baik berbanding harga yang diberikan.					
11	Work performed by an employee in a furniture store is very carefully and punctual./Kerja-kerja yang dilakukan oleh pekerja di kedai perabot ini amat teliti dan menepati masa.					
G	Guest Loyalty/Kesetiaan Tetamu					
12	I come to this furniture store because it is the best choice for me./Saya datang ke kedai perabot ini kerana ianya merupakan pilihan yang terbaik bagi saya.					
13	I consider myself to be a loyal guest of this furniture store./Saya akan menjadikan diri saya sebagai tetamu yang setia di kedai perabot ini.					
14	I would recommend this furniture store to those who seek my advice./Saya akan mengesyorkan kedai perabot ini kepada orang yang meminta pandangan saya.					